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HISTORICAL INFLATION PROGRAM. (A COMPUTER PROGRAM GENERATING HI--ETC(U)
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USATSARCOM TECHNICAL REPORT 79-1

HISTORICAL INFLATION PROGRAM

(A COMPUTER PROGRAM GENERATING
HISTORICAL INFLATION INDICES FOR
ARMY AIRCRAFT)

WARREN H. GILLE, JR.

FINAL REPORT

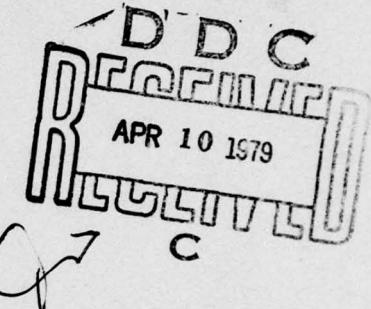
FEBRUARY 1979

U.S. ARMY TROOP SUPPORT
AND AVIATION MATERIEL
READINESS COMMAND
COMPTROLLER
COST ANALYSIS DIVISION
4300 GOODFELLOW BLVD.
ST. LOUIS, MISSOURI 63120

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20. ABSTRACT (Continue on reverse side if necessary and identify by block number) This report extends and revises Technical Report 77-4 which presents and describes the Historical Inflation Program, a computerized program generating historical inflation indices for the procurement of Army aircraft. The program can be updated monthly, is easily revised for changes in Bureau of Labor Statistics methods, and capable of handling data for all fiscal year formats. Output is expressed as monthly, quarterly, calendar year inflation indices (in Calendar Year 1967 base) and inflation factors (in any Fiscal Year base). This report contains updated tables of inflation factors, expressed in a FY 78 base.		

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20. ABSTRACT.

These indices and factors provide a means of adjusting historical cost data for the procurement of Army aircraft to constant year dollars. Additional features include: computations for the Derivation of Revised Weighting Factors, detailed indices enabling the adjustment of historical Labor and Material cost separately, a discussion of aggregate weighting factors for Labor and Materials, including trends from sensitivity analysis with more background materials and additional documentation, aimed at making the report useful to a large cross section of the DOD/Rotary Wing Aircraft Community.

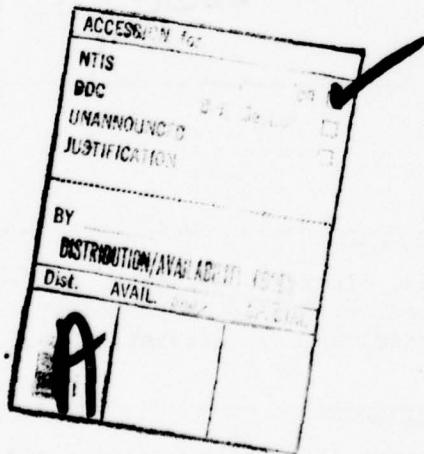


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DISCLAIMER STATEMENT

The views, opinions, and/or findings contained in this report are those of the author(s) and should not be construed as an official Department of the Army position, policy, or decision unless so designated by other documentation.

ACKNOWLEDGEMENTS

The author extends his appreciation to Mr. Mike Putnam of the Kansas City Regional Office of the Bureau of Labor Statistics, U.S. Department of Labor, for his assistance with wage and price data.

Credit is due Mr. Ralph Lilge, USAAVRADCOM, who played a primary role in automating the Historical Inflation Program in 1975.

Mrs. Anne Clark, Mrs. Joan Phelan, and Miss Paula Smith provided excellent clerical support in the revision of this paper.

I. APPLICABILITY. The inflation indices and factors published in this report are applicable to the adjustment of historical costs for the procurement of Army aircraft. These costs are currently funded by the Aircraft Procurement, Army appropriation.

II. AN OVERVIEW OF THE HISTORICAL INFLATION PROGRAM.

A. History.

The Historical Inflation Program for Army aircraft procurement was developed using a sequence of documents, the first being Aerospace Price Indices, by H.G. Campbell (RAND # R-568-PR, 12/70). Essentially, the RAND document established a basis for the construction of general indices, identified items of special interest and concern, and indicated that no substitute exists for thorough analysis of the specific items being characterized by an historical index. Several indices, designed specifically for rotary wing aircraft, have been developed for the adjustment of procurement cost since that time by the United States Army Aviation Systems Command, and this function has been carried over to the Components and Operational Studies Branch, Cost Analysis Division, Office of the Comptroller, USATSARCOM.

The current indices are based on research done in the period 1972 to date. In June 1973, the Office of the Comptroller, Cost Analysis Division, made a study of materials used in the Army helicopter systems then, or most recently, in production. Cost Information Reports were assembled, and contractors were requested to supply lists of materials for both airframe and engine, on the basis of contribution to weight. Contractor technical and engineering personnel provided assistance with data interpretation and definitions for those items whose composition was unclear from engineering documents and Detailed Weight Statements.

The following aircraft were selected:

UH-1H	OH-6A	AH-1G
CH-47C	OH-58A	CH-54B

These are currently deemed typical, for several reasons.

First, the time period June 1973 is the approximate center of the 1969-1978 range. Second, a number of these aircraft had been produced on a long term, continuing basis in previous versions. And, third, and most important, they are among the systems most likely to be used in developing Cost Estimating Relationships for new systems by use of parametric techniques.

The September 1973 Historical Inflation Cost Research Report, cited in the references, was the first report to make full use of this information. It was updated by the August 1974 Cost Research Report, and then by a series of expanded analyses under current title, Historical Inflation Program, since that time. A list of the assumptions and changes in methodology over the period referenced are included in the body of the Technical Section.

B. Construction of Indices - Methodology.

The indices are developed by a stepwise, building process, which computes the contributions to cost on a weighted value-added basis.

1. First, the contribution to cost of small parts and other purchased equipment is calculated.

2. Next, this cost contribution of purchased parts is combined with that of raw materials to get the cost of purchased materials.

3. Purchased material cost is then combined with contractor

labor cost to compute the index for products such as engine or airframe.

4. The indices for engine, airframe, and avionics are combined to get an overall index for aggregate aircraft.

C. Indexing Technique.

The procedure used is "Cost-Weighting". The information obtained from 1973 research on "helicopter materials" established percentages based on weight. Because the indices used to track material costs are based on monetary considerations (e.g., Producer Price Index; Wages, by Standard Industrial Code), percentages by weight had to be transformed into percentage contributions to cost, if PPI and SIC inflation factors were to be applied directly. Based on the premise of profit maximization, contractors should tend to minimize the use of expensive materials subject to maintaining acceptable performance standards; essentially, materials with a high cost per unit weight ratio would be used sparingly. Adjusting a percentage based on weight using a monetary index would not only result in an improper index initially, but also one with diminishing reliability. The latter bias is avoided by calculating the contribution to cost, instead of merely the contribution to weight.

D. Weighting Factors. Although the model is developed by an iterative, stepwise process, the revised weighting factors in the table (at the end of Appendix B) implicitly include all calculations. The index, as stated, is merely the direct sum of

the products of the weights and their corresponding material index values. The development of weighting factors is illustrated in the Technical Section.

E. Data. The data used appear in two different forms. Yearly data are presented by Calendar Year 1947 to date, and monthly data for 1967 to date. The yearly data, pre 1958, are condensed into three columns; the data for 1958 and later are presented in an 18 column format - 14 columns for material inputs, and 4 for labor. Beginning with report 76-1B, all columns of the data set are identified by PPI and SIC code, as well as a verbal description in the column heading. PLEASE NOTE: The data, their characterization, and any redefinition, by the Bureau of Labor Statistics over the years, are tracked in line diagram C-2.

F. Validity and Firmness of Data.

The Producer Price Index and Wage Data was supplied by the Kansas City Regional Office of the Bureau of Labor Statistics, U.S. Department of Labor. The data comes in three types of published form: (1) a cumulative history covering all relevant past years on a monthly basis, (2) A yearly edition (such as Wage and Price Index Annual Supplement) which lists the previous 12 months, and (3), monthly publications which list the most current month and several other months for comparison.

For data to be "firm" it must be at least 18 months old, in most cases, because it is benchmarked and adjusted after the fact. For example, small samples are taken throughout the year; however, during one month (the benchmark month), a much more comprehensive

sample is taken. Due to its significantly larger sample size, the benchmark month's sample is felt to be more representative than those of other individual months, and if the benchmark diverges from the pattern, the other months are adjusted proportionately to conform to its base as benchmark.

The data in the cumulative history "type" publication is felt to be firm or "final". Basically, such publications provide a chronological listing of all firm data available for the past history of those indices. However, the data in such publications is usually 18 to 24 months behind the current period. The data for each month listed in the Annual Supplements is not necessarily firm because benchmarks occur during the Calendar Year, and at different times for different series. Adjustments may not have been made before the Annual Supplements are published. The monthly publications which contain information on the most current periods are even more tentative. In general, the Producer Price Index Data are firm before Wage Indices for the corresponding month, probably due to the fact that it is easier to define and measure price changes for commodities than for human skills.

G. Particular Problems.

1. The Wage Data for the period CY 1971-CY 1973 changed, in many cases, during FY 75-FY 76. The wage-price freeze disallowed certain salary and wage increases, but a number of these were awarded on a retroactive basis based on legal decisions rendered several years after the fact. Because such payments involved costs directly attributable to labor services, this

component had to be included in the indices to provide an accurate measure of labor earnings.*

2. With the September 1978 issue of Employment and Earnings, the reporting categories for a number of types of production labor were changed. In effect, the 1967 Standard Industrial Classification Code has been supplanted by the 1972 SIC Code.

The Changes are as follows:

<u>SIC Code & Title</u>	<u>-to-</u>	<u>SIC Code & Title</u>
3674,9 Electronic Devices & Components		367X Electronic Components and Accessories
3722 Aircraft Engines and Engine Parts		3724 Aircraft Engines and Engine Parts
3723,9 Aircraft Parts and Equipment		3728 Aircraft Equipment

The reclassification had little or no impact on this study due to the essential similarities, by definition, of the old and new labor categories.

3. Potential discrepancies in the data set were eliminated by comparing data elements with the most recent data on microfiche for the 14 material and 4 labor categories used in the report. All data were verified to be the latest and most accurate available, on 20 January 1979.

*See BLS Bulletin No. 1312-10, Employment and Earnings 1909-75
for a detailed explanation (esp. p. 769).

H. Change in Content from the Previous Reports.

A printout of the computer program used for the Historical Inflation Program is not included in this report, for two reasons. First, it was found that a list of structural equations would better serve the purpose of elucidating the model. At the same time, with the reduced form equations and clearly identifiable data sets, any index figure can be checked by direct calculation (See Appendix B, page B-4). Second, direct duplication of the deck from the original is more accurate and efficient than keypunching copies from the program source listing, should such an external need ever develop.

A sensitivity analysis, which displays the effects resulting from a change in the relative weights of labor and material in the Historical Index, has been included in this revision. The percentage contribution to cost attributable to labor and materials varies among aircraft systems, and the values used in this report--.378 (materials) and .622 (labor)--are an average for the six systems referenced. The sensitivity analysis yields a measure of the extent to which the index for a single aircraft system would vary, if that system is built with an aggregate labor/material mix which differs from the six system average. The accuracy of the reweighted index, however, also requires that the other assumptions be well satisfied, i.e., the 14 material and 4 labor indices are typical of the system being reviewed. Because such weighting is a concern in developing estimates in inflated dollars, the effect of such "weighting changes" should be of significant interest to many readers.

TECHNICAL SECTION

III. ANALYSIS: (TECHNICAL SECTION).

A. Chronology. Previous efforts related to the development of inflation indices include Aerospace Price Indexes by H.G. Campbell, RAND Corporation, December 1970 (Reference 1) and two Cost Research Reports: Historical Inflation Indices for Army Aircraft, Cost Analysis Division, Office of the Comptroller, US Army Aviation Systems Command, September 1973 (Reference 3), and Historical Inflation Indices for Army Aircraft, Cost Analysis Division, Office of the Comptroller, US Army Aviation Systems Command, August 1974 (Reference 4).

1. Characteristics of the RAND Report.

a. Specific Producer Prices and Price Indexes (Reference 7) and Employment and Earnings (Reference 2) data have been selected as proxy series for similar commodity and labor categories experienced in the procurement of Army aircraft. Aircraft inflation indices are constructed from a weighted average of these proxy series. The weighting factors for this average are derived from estimates of the relative contribution to the total aircraft cost made by each component (commodity or industry labor group) comprising the index. The index is thus a "cost-weighted" series.

b. A 2½ percent compounded annual rate for growth of overhead ratios is assumed.

c. No adjustment is made for productivity increases.

d. Indices are developed on a Calendar Year basis.

2. Characteristics of the September 1973 Cost Research Report.

a. As with the RAND Report, aircraft inflation indices have been constructed from a weighted average of Producer Prices and Price Indexes and Employment and Earnings data selected as proxy series for their similarity to those commodities and labor categories experienced in the procurement of Army aircraft. Weighting factors are proportional to the relative physical weights or masses, rather than the relative costs (as in the RAND Report), of commodities comprising the "composite material" portion of the index. Thus, the "composite material" portion of the index represents a "weight-weighted" series.

b. Like the RAND Report, a 2½ percent annual growth in the overhead ratio is assumed.

c. No adjustment is made for productivity increases.

d. Indices are developed on a Calendar Year basis.

e. For years for which certain specified Producer Price Indexes were unavailable, data has been projected from adjacent years.

3. Characteristics of the August 1974 Research Report.

a. As before, Producer Prices and Price Indexes and Employment and Earnings data have been selected as proxy series most similar to those commodities and labor categories experienced in the procurement of Army aircraft. The indices have been constructed from a weighted average of these proxy series utilizing the weighting factors used in the September 1973 Cost Research Report. The "composite material" portion of the index represents a "weight-weighted" series.

- b. Unlike RAND and the September 1973 Cost Research Report, no adjustment for overhead growth is assumed.
- c. No adjustment for productivity increases is assumed.
- d. Indices have been extended to FY 1974 by assuming that data for the September 1973 Cost Research Report represented December and hence the Fiscal Year midpoint, rather than the annual average, of each calendar year.
- e. For years for which certain specified Producer Price Indexes were unavailable, data has been projected from adjacent years.

B. Data Sources. Data sources for this report are Producer Prices and Price Indexes (reference 7) and Employment and Earnings (reference 2). To insure that the latest revisions were incorporated into the data base, data was obtained from the Bureau of Labor Statistics Information Center, and Annual Supplements to the Producer Prices and Price Indexes. For Employment and Earnings, data for any given month was obtained from the latest available source. Data used in this report are displayed in Appendices D, E, G, and H.

C. Methodology.

1. Overhead and Productivity Adjustments. On the basis of data covering a ten year period, the RAND Report concluded that there exists a secular growth trend of 2½ percent per year in the production overhead rate. The report also concludes that there has been little, if any, improvement in productivity to counteract the observed trend in overhead growth. This conclusion appears to

be unwarranted, particularly in light of productivity gains recorded (as measured by Industrial Production Indices) for similar sectors of industry. Thus, in order not to unduly bias the results of the analysis, this report makes no adjustment for either overhead growth or improvements in productivity.

2. Revision of Weighting Factors. From a number of Cost Information Reports, the following weighting factors were developed and reported in the September 1973 Cost Research Report. For the Airframe:

(.378) Raw Material + (.622) Labor 3723,9 (3728)
= Purchased Equipment

(.582) Purchased Equipment + (.418) Raw Material
= Total Material

(.378) Total Material + (.622) Labor 3721 = Total Airframe

For the Engine:

(.599) Raw Material + (.401) Labor 3723,9 (3728)
= Purchased Equipment

(.295) Purchased Equipment + (.705) Raw Material
= Total Material

(.599) Total Material + (.401) Labor 3722 (3724)
= Total Engines

And for Avionics:

(.315) Material + (.685) Labor 3674,9 (367x) = Total Avionics

In the previously published indices, the weighting factors used to develop the material portion of the indices were made proportional to the relative physical weights of the various commodities used in the construction of the aircraft. The material portion of these indices thus represent a "weight-

"weighted" series. In order to be consistent with the intended purposes of an inflation index, the methodology in this program uses index weighting factors proportional to the numerical products obtained from multiplying the relative physical commodity weights by the appropriate base year cost per pound. This yields a "cost-weighted" index giving more weight to such expensive commodities as titanium. Unfortunately, however, price per pound data are not published in Producer Prices and Price Indexes for each of the commodities used in constructing the indices. To overcome this difficulty, the per pound price is estimated from the available data of the most closely related commodities. To minimize the effect from related commodities which have relatively little economic impact, each price per pound estimate has been developed from a weighted average of available data utilizing the Bureau of Labor Statistics 1975 revised relative weights published in the 1975 Annual Supplement to Producer (Formerly Wholesale) Prices and Price Indexes. The available data then constitutes a weighted sample from which a surrogate price per pound is computed for the Producer Price series in question. See Appendix A for the Computations for the Derivation of these Revised Weighting Factors, along with their associated cost contribution per pound.

3. Construction of Indices.

- a. Calendar Year 1967 has been taken as the base of these indices because this year represents the approximate midpoint of the period (1958-1978) for which the data supports the develop-

ment of each of the indices, including those which account for avionics. Furthermore, 1967 conforms to the base used by the Bureau of Labor Statistics for Producer Price Indexes.

b. Appendix B contains the current Producer Price Index series, Earnings series, and the associated weighting factors used in the construction of the indices published in this report. Since some of these series have been in existence for only a limited time, other closely related series have been substituted with appropriate mathematical adjustments to insure continuity of the indices. This technique is considered preferable to the synthesis of data by projection from adjacent years. Appendix C depicts the historical flow and identifies the effective dates of series conversions, for the Producer Price Index and Earnings data used in the development of the indices published in this report.

c. The term "aggregate" has been selected to indicate inflation indices applicable to the combined Airframe and Engine (aggregate Air Vehicle Excluding Avionics) and to the combined Airframe, Engine, and Avionics (Aggregate Air Vehicle Including Avionics) to avoid confusion with the term "composite" as in "composite escalation indices". Aggregate indices are based upon a standard 70-20-10 weighting (see Reference 5) of the Airframe, Engine and Avionics Indices respectively. Aggregate indices are intended for the adjustment of historical cost data for which the distribution of costs for the Airframe, Engine, and Avionics components is unavailable.

d. A new section depicting the raw material portion of

the inflation indices is published as Appendix I. It is intended for applications requiring greater accuracy. Appropriate labor indices can be obtained from the Bureau of Labor Statistics Employment and Earnings series (Reference 2) as follows:

<u>Labor Category</u>	<u>1967 SIC Code</u>	<u>1972 SIC Code</u>	<u>Industry</u>
Airframe Contractor	3721	3721	Aircraft
Airframe Subcontractor	3723,9	3728	Other aircraft part & equipment
Engine Contractor	3722	3724	Aircraft engines & engine parts
Engine Subcontractor	3723,9	3728	Other aircraft parts & equipment
Avionics	3674,9	367X	Other electronic components
Aggregate Air Vehicle Excluding Avionics	372	372	Aircraft and parts

e. The basic Computational methodology is as follows:

- (1) For Components: Airframe, Engine, and Avionics.
 - (a) Calendar Year indices are computed using sum of weighted calendar year labor and material indices.
 - (b) Fiscal Year indices are computed in a manner similar to Calendar Year, but the yearly fiscal averages are generated from the monthly data.
 - (c) Quarterly Indices - three months are averaged from monthly data set.
 - (d) Monthly - direct calculations using monthly data. A weighted average of monthly figures computed in the same manner as calendar year indices.

(2) Aggregate Vehicle.

(a) Aggregate Vehicle without Avionics =

$$\frac{(.7) \text{ Airframe} + (.2) \text{ Engine}}{.9}$$

(b) Total Vehicle = .9 (Agg. w/o) + (.1) Avionics

$$= (.9) \left[\frac{(.7) \text{ Airframe} + (.2) \text{ Engine}}{.9} \right] + (.1) \text{ Avionics}$$

$$= .70 \text{ Airframe} + .20 \text{ Engine} + .10 \text{ Avionics}$$

(70-20-10) as stated.

(3) Reduced form equations are specified in Appendix B-3.

IV. DESCRIPTION OF COMPUTER PROGRAM AND ASSOCIATED APPENDICES.

The Historical Inflation Program is a computerized program for generating historical inflation indices for the procurement of Army aircraft. Appendices D and G contain the annual data used by the program, while the monthly data, commencing July 1967, are in Appendices E and H. Producer Price Index and Earnings data in these Appendices have been arrayed into columns with the same numerical code sequence used in Appendix B. Historical inflation indices and factors are published in Appendix F. Fiscal Year, quarterly, and monthly indices have been developed from the appropriate monthly data. A section containing the raw material portion only of these indices is published as Appendix I. The labor portion of these indices may be obtained by applying the methodology described in paragraph III.C.3 d, to the data contained in Appendices D and E. Appendix J contains a sensitivity analysis which displays the effect on the indices resulting from changing the labor to material ratio, in terms of percentage contribution to cost.

V. REFERENCES.

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APPENDIX A
COMPUTATIONS FOR THE DERIVATION
OF REVISED WEIGHTING FACTORS
FOR THE HISTORICAL INFLATION PROGRAM

A 1

COMPUTATIONS FOR THE DERIVATION OF
REVISED WEIGHTING FACTORS
FOR THE HISTORICAL INFLATION PROGRAM

<u>PPI CODE</u>	<u>Commodity¹</u>	<u>1967 Price Per Pound</u>	<u>Weight²</u>	<u>Product³</u>	<u>Weighted⁴ 1967 Price Per Pound</u>
07 11 01 01	<u>RUBBER AND PLASTIC PRODUCTS</u>				
07 11 01 02	Latex	.2642	.006	.001585	
	No. 1 Ribbed Smoked Sheets	.1992	.009	.001793	
03	No. 2 Ribbed Smoked Sheets	.1951	.021	.004097	
04	No. 3 Amber Blanket	.1820	.021	.003822	
02 11	Butyl, Regular	.25	.012	.003	
12	Neoprene, GN Type	.41	.020	.008199	
13	Styrene Butadiene, Hot	.2224	.021	.004671	
15	Polybutadiene, Non-Staining	.2476	.009	.002228	
03 21	Whole Tire Reclaim	.113	.009	.001017	
		.128	.030412		
10 13 02 62	<u>SHEETS, C.R., CARBON</u>				
10 13 02 64	<u>SHEETS, C.R., STAINLESS</u>				
10 13 02 64		.0737			
			.5531		
10 15 01 41	<u>STEEL CASTINGS</u>				
10 15 01 53	<u>CLOSED DIE FORGINGS</u>				
10 15 01 11	Ingot Molds	.0497			
			.0497		
10 22 01 11	<u>LEAD, PIG, COMMON</u>				
10 22 01 51	<u>MAGNESIUM, PIG INGOT</u>				
10 25 01 01	<u>ALUMINUM SHEET</u>				
		.4185			
			.3595		
			.3595		
			.14		
			.14		

<u>PPI CODE</u>	<u>Commodity¹</u>	<u>1967 Price Per Pound</u>	<u>Weight²</u>	<u>Product³</u>	<u>Weighted⁴ 1967 Price Per Pound</u>
10 25 01 13	<u>ROD, SCREW, MACHINE STOCK</u>	.6315			.6315
10 25 01 17	<u>EXTRUSION, SOLID CIRCLE SIZE 4 TO 5</u>				
10 25 01 13	Rod, Screw, Machine Stock	.6315			
10 25 02	<u>COPPER AND BRASS MILL SHAPES</u>				.6216
31	Cartridge Brass Strip, 70-30 Alloy	.6033	.121	.073	
32	Yellow Brass Rod (62-35-3 Alloy)	.4602	.082	.03774	
33	Yellow Brass Tube (70-30 Alloy)	.7841	.048	.03764	
55	Copper Sheet or Strip	.6924	.108	.07478	
			.359	.22316	
10 25 04 63	MONEL SHEET, CR 400 ALLOY	1.3752			1.3752
10 25 05	<u>TITANIUM MILL SHAPES⁵</u>				5.2926
25	Titanium Bar, Ground, GAL-AV	5.2926			

NOTES: 1. Capitalized and Underlined Commodity titles indicate PPI Series actually used in the Historical Inflation Program.

2. Weight is Bureau of Labor Statistics Revised Relative Weight for the Wholesale Price Index. Source: 1975 Annual Supplement to Producer Prices and Price Indexes.

3. Product = (1967 Price Per Pound) \times (weight).

4. Weighted 1967 Price Per Pound = $\frac{\text{Product}}{\text{Weight}}$

NOTES (continued) :

5. 1967 Titanium Bar Price Per Pound computed by utilizing Titanium Sponge index as surrogate for 1967 - Dec 1970. Titanium Mill Shapes index established December 1970. Titanium Sponge index for December 1970 is 95.5.

Figures may not compute due to rounding.

**COMPUTATIONS FOR THE DERIVATION OF
REVISED WEIGHTING FACTORS
FOR THE HISTORICAL INFLATION PROGRAM**

NOTE.

Revised Weighting Factors Proportional to Cost Contribution Per Pound.

COMPUTATIONAL REVISED WEIGHTING FACTORS EXPRESSED AS A PROPORTION OF THE TOTAL INDEX.

FORMULA

$$\begin{array}{c}
 \text{CONTRIBUTION TO WEIGHT :} \\
 \text{PREVIOUS WEIGHTING FACTORS} \\
 \hline
 \boxed{\left[\begin{array}{l} \text{1967 COST} \\ \text{PER LB.} \end{array} \right] \times \left[\begin{array}{l} \text{ADJUSTMENT FACTOR} \\ \text{FOR} \\ \text{(RELATIVE IMPORTANCE} \\ \text{OF MATERIAL (RAW)} \\ \text{IN OVERALL INDEX)} \end{array} \right]} = \\
 \boxed{\left[\begin{array}{l} \text{RAW MATERIAL} \\ \text{CONTRIBUTION TO COST} \end{array} \right] \quad \text{WEIGHTING FACTORS.}}
 \end{array}$$

CONTRIBUTION TO WEIGHT : PREVIOUS WEIGHTING FACTORS

APPENDIX B
WHOLESALE PRICE INDEXES AND EARNINGS SERIES
USED IN
HISTORICAL INFLATION PROGRAM
WITH REVISED WEIGHTING FACTORS

PRODUCER PRICE INDEXES AND EARNINGS SERIES
USED IN HISTORICAL INFLATION PROGRAM AND
REVISED WEIGHTING FACTORS

<u>Var</u>	<u>PPI Code</u>	<u>Commodity</u>	<u>Airframe</u>	<u>Engine</u>	<u>Avionics</u>	<u>Remarks</u>
(1)	07	Rubber and Plastic Products	.0211	.0023		
(2)	10 13 02 62	.04 Sheets, C.R., Carbon	.0021			
(3)	10 13 02 64	.04 Sheets, C.R., Stainless	.2625			
(4)	10 15 01 41	.05 Steel Castings	.0057			
(5)	10 15 01 53	.06 Closed Die Forgings		.0059		
(6)	10 22 01 11	Lead, Pig, Common	.0007			
(7)	10 22 01 51	Magnesium, Pig Ingot	.0062	.0225		
(8)	10 25 01 01	.02 Aluminum Sheet	.0560	.0071		
(9)	10 25 01 13	Rod, Screw, Machine Stock	.0142	.0021		
(10)	10 25 01 17	.02 Extrusion, Solid Circle Size 4 to 5	.0422	.0051		
(11)	10 25 02	Copper and Brass Mill Shapes	.0159	.0025		
(12)	10 25 04 63	Monel Sheet, CR 400 Alloy **	.0079	.1364		
(13)	10 25 05	Titanium Mill Shapes	.0691	.0817		
(14)	11 78	Electronic Components			.3150	
	<u>SIC Code</u>	<u>Industry</u>				
(15)	3674, 9 (367X)	Other Electronic Components			.6850	
(16)	3721	Aircraft	.6220			
(17)	3722 (3724)	Aircraft Engines and Engine Parts		.4010		
(18)	3723, 9 (3728)	Other Aircraft Parts and Equipment	.1369	.0709		
			1.0000	1.0000		1.0000

COMPUTATIONAL FORMULAS : Labor Cost Indexes

The data concerning cost of labor services is supplied by the Bureau of Labor Statistics, as hourly wage rates by Standard Industry Codes, and is reported on a reduced basis in Employment and Earnings. Because the material indices are percentages, and wages are expressed in dollars/hour, labor cost must be converted to a percentage (initially, before calculations can be made. The dollar to percentage conversions for the labor categories are made as follows:

<u>SIC Code</u>	<u>Industry</u>	Current Hr. Wage	\div	2.34	\times	100% = INDEX
(15) 3674, 9 (367X)	Other Electronic Components					
(16) 3721	Aircraft Production Workers	Current Hr. Wage	\div	3.49	\times	100% = INDEX
(17) 3722 (3724)	Aircraft Engines and Engine Parts.	Current Hr. Wage	\div	3.42	\times	100% = INDEX
(18) 3723, 9 (3728)	Other Aircraft Parts and Equipment.	Current Hr. Wage	\div	3.35	\times	100% = INDEX

REDUCED FORM EQUATION

$$\begin{aligned}
 \underline{\text{Airframe}} &= .0211 (\text{V-1}) + .0021 (\text{V-2}) + .0057 (\text{V-4}) + .0007 (\text{V-6}) \\
 &\quad + .0062 (\text{V-7}) + .056 (\text{V-8}) + .0142 (\text{V-9}) + .0422 (\text{V-10}) \\
 &\quad + .0159 (\text{V-11}) + .0079 (\text{V-12}) + .0691 (\text{V-13}) + .622 (\text{V-16}) \quad (100/3.49) \\
 &\quad + .1369 (\text{V-18}) \quad (100/3.35) \\
 \\
 \underline{\text{Engine}} &= .0023 (\text{V-1}) + .2625 (\text{V-3}) + .0059 (\text{V-5}) + .0225 (\text{V-7}) \\
 &\quad + .0071 (\text{V-8}) + .0021 (\text{V-9}) + .0051 (\text{V-10}) + .0025 (\text{V-11}) \\
 &\quad + .1364 (\text{V-12}) + .0817 (\text{V-13}) + .401 (\text{V-17}) \quad (100/3.42) \\
 &\quad + .0709 (\text{V-18}) \quad (100/3.35) \\
 \\
 \underline{\text{Avionics}} &= .3150 (\text{V-14}) + .6850 (\text{V-15}) \quad (100/2.34)
 \end{aligned}$$

Variables (V-1) thru (V-18)
are defined on page B-2

DATA/DEVELOPMENT

- (1) Calendar Year Data - As given on printout.
- (2) Monthly Data - As specified on printout.
- (3) Quarterly Data - Development from Monthly.
- (4) Fiscal Year Data - Developed using appropriate quarterly data.

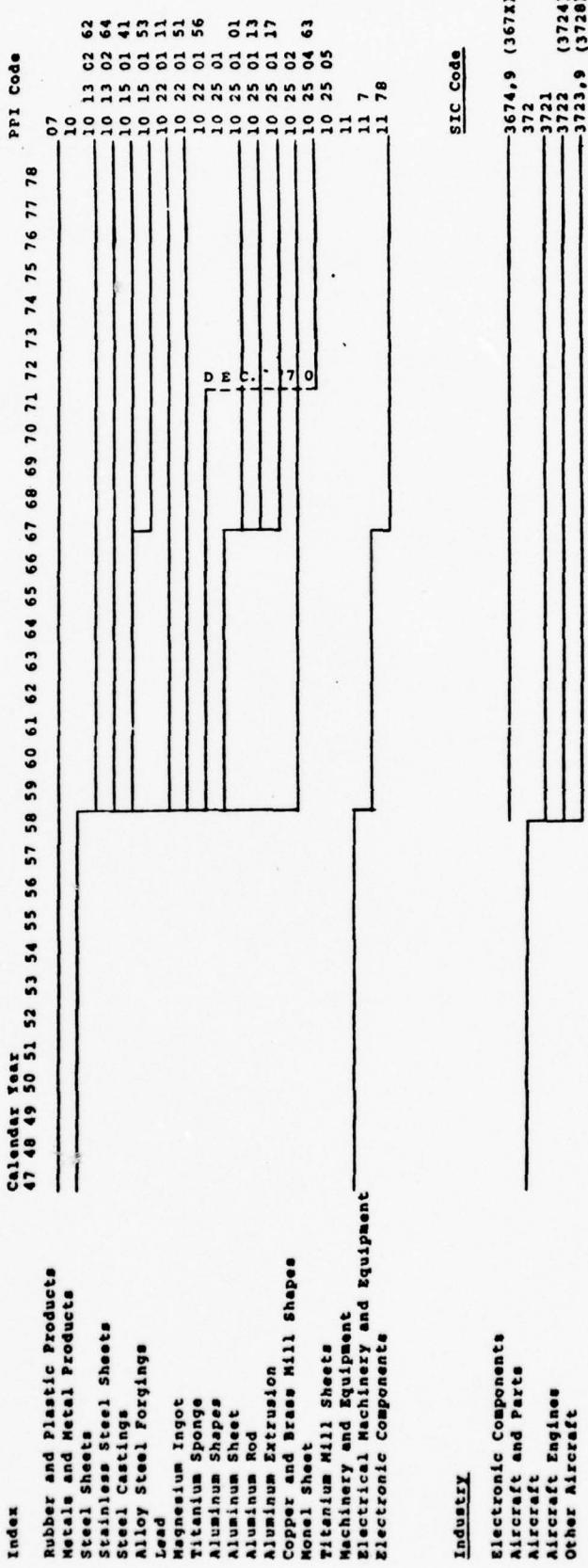
Fiscal Year Average = $\frac{Q_1 + Q_2 + Q_3 + Q_4}{4}$
(Quarters of Fiscal Year)

Variables specified on preceding chart.

APPENDIX C

HISTORICAL FLOW OF WHOLESALE PRICE INDEXES AND
EARNINGS SERIES USED IN HISTORICAL INFLATION
PROGRAM WITH REVISED WEIGHTING FACTORS

**Historical Flow of Producer Price Indexes
and Earnings Series used in Historical
Inflation Program**



C 2

APPENDIX D

ANNUAL DATA FOR THE HISTORICAL INFLATION PROGRAM FOR U. S.
ARMY ROTARY WING AIRCRAFT

D 1

APPENDIX E

MONTHLY DATA FOR THE HISTORICAL INFLATION PROGRAM :

E 1

MONTHLY DATA

MATERIALS

LABOR RATES

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
CY/MO	007x	130262	130264	150141	150153	220151	220111	250101	250113	250117	102502	250463	2505XX	1178XX	FLFC	ACFT	LNG	OTHR	
KUBER	CR STL	STL	CAST	FORCE	LLAU	MAGNFS	ALUM.	SC-STN	EXTR	CP/BK'S	KONEL	T1.MYL	ELECT	A67+9	3721	3722	3723.9	FY	
710CT	109.40	127.40	128.10	126.30	125.00	101.30	100.80	109.60	93.40	121.50	119.50	140.40	103.70	102.30	2.89	4.41	4.41		
7130V	109.30	127.40	128.10	126.30	125.00	101.60	100.80	108.60	93.40	120.90	119.10	142.40	102.60	2.90	4.46	4.44	4.17		
71DEC	109.30	127.40	127.10	126.80	125.00	101.10	100.30	108.60	93.40	120.90	117.70	140.40	103.70	102.50	2.94	4.46	4.52		
72JAN	109.50	124.50	137.10	127.60	127.60	101.20	102.60	105.60	93.40	121.60	119.70	140.40	103.70	102.40	2.96	4.44	4.50		
72FEB	109.20	124.50	137.10	127.60	127.60	103.60	105.60	93.40	121.60	121.60	140.40	106.90	103.40	2.98	4.59	4.54	4.22		
72MAR	108.50	134.50	155.10	127.50	127.50	110.70	110.70	105.10	93.40	121.60	125.40	140.40	107.40	103.40	2.99	4.64	4.56	4.28	
72APR	108.70	134.50	135.10	127.80	127.80	112.70	110.70	105.50	93.40	123.10	125.30	140.40	107.10	103.40	3.00	4.74	4.57	4.33	
72MAY	108.40	134.50	135.10	127.30	130.70	112.50	105.50	105.10	93.40	123.90	125.50	140.40	107.40	104.00	3.00	4.72	4.53	4.36	
72JUN	108.90	134.50	129.40	127.60	130.40	112.50	103.60	105.10	93.40	123.80	125.30	140.40	107.40	103.90	3.02	4.72	4.65	4.36	
72JUL	109.20	134.50	129.40	127.90	131.50	112.50	103.60	105.10	93.40	123.80	125.50	140.40	107.40	104.00	3.03	4.64	4.69	4.34	
72AUG	109.50	134.50	130.90	131.30	112.50	103.60	105.10	92.40	123.80	125.50	140.40	107.40	103.70	3.03	4.77	4.75	4.39		
72SEP	104.50	134.50	117.50	130.50	131.30	110.70	103.60	105.10	93.40	123.20	125.30	140.40	107.40	103.30	3.06	4.79	4.78	4.43	
72OCT	109.50	134.50	117.50	130.50	131.30	110.70	103.60	103.70	93.40	123.60	125.10	140.40	107.40	103.20	3.06	4.84	4.80	4.44	
72NOV	103.60	134.50	117.50	130.90	131.30	108.90	106.60	103.70	93.40	123.80	125.90	140.40	107.40	103.20	3.05	4.97	4.83	4.49	
72DEC	109.80	134.50	117.50	130.90	132.00	108.90	103.60	103.70	93.40	123.80	125.90	140.40	107.40	103.30	3.09	5.04	4.98	4.51	
73JAN	110.00	134.50	117.50	130.50	132.00	110.60	106.40	103.70	93.40	123.20	126.20	140.40	107.40	103.80	3.09	4.99	4.92	4.52	
73FEB	110.10	134.50	117.50	130.50	132.00	110.70	106.40	103.70	93.40	123.30	127.90	140.40	107.40	103.60	3.08	5.04	4.92	4.50	
73MAR	110.50	134.50	117.50	130.50	132.00	110.60	106.40	103.70	93.40	123.60	137.00	140.40	107.40	103.70	3.10	5.10	4.94	4.55	
73APR	110.50	134.50	117.50	130.50	132.00	110.40	106.40	104.40	93.40	123.80	138.50	140.40	107.10	104.50	3.12	5.03	4.95	4.57	
73MAY	111.50	134.50	117.50	130.90	132.00	110.60	106.40	104.40	93.40	125.20	141.90	145.40	106.40	104.40	3.12	5.08	4.95	4.57	
73JUN	112.60	134.50	117.50	130.90	132.00	108.90	103.60	103.70	93.40	125.60	142.10	149.80	108.20	104.50	3.13	5.07	4.99	4.62	
73JUL	112.40	134.50	124.50	130.50	132.00	117.90	106.40	104.40	93.40	125.20	142.40	149.80	108.20	104.50	3.15	5.15	5.07	4.65	
73AUG	113.10	134.50	124.50	130.50	132.00	113.80	106.50	104.40	93.40	125.20	140.50	149.80	109.00	104.60	3.16	5.17	5.05	4.69	
73SEP	112.30	134.50	124.50	130.50	132.00	117.20	106.40	105.60	93.40	125.20	143.50	149.80	111.10	104.60	3.20	5.16	5.09	4.73	
73OCT	114.00	137.50	124.50	130.50	132.00	113.50	106.40	106.70	93.40	125.50	146.50	149.80	111.10	104.80	3.22	5.17	5.12	4.77	
73NOV	114.40	137.50	124.50	130.50	132.00	117.90	106.40	107.20	93.40	126.90	149.30	149.80	112.30	104.90	3.24	5.18	5.15	4.82	
73DEC	116.50	137.50	124.50	130.50	132.00	117.90	106.40	107.20	93.40	126.90	149.30	149.80	114.70	105.50	3.27	5.34	5.37	4.83	
74JAN	117.70	137.50	126.50	132.00	135.70	117.90	106.40	107.20	93.40	126.90	160.40	149.80	116.70	105.50	3.26	5.36	5.26	4.82	
74FEB	119.40	137.50	126.50	132.00	135.70	117.90	106.40	107.20	93.40	126.90	165.20	149.80	114.70	106.20	3.26	5.42	5.44	4.88	
74MAY	123.30	142.50	135.50	135.50	135.70	123.75	117.90	106.40	93.40	130.00	165.40	149.80	116.70	106.40	3.40	5.43	5.30	4.88	
74APR	129.40	146.60	141.50	141.50	145.50	145.20	145.60	145.60	116.40	146.40	165.30	165.30	176.30	121.80	107.20	3.30	5.43	5.30	4.88
74JUN	133.70	155.30	143.00	143.00	145.50	145.20	145.60	145.60	117.90	146.40	165.30	165.30	176.30	121.80	107.20	3.31	5.40	5.21	4.89
74DEC	116.50	137.50	124.50	130.50	132.00	109.40	106.40	107.20	93.40	125.20	142.40	149.80	114.70	105.50	3.27	5.34	5.37	4.83	
74JUL	117.70	137.50	126.50	132.00	135.70	117.90	106.40	107.20	93.40	125.20	142.40	149.80	114.70	105.50	3.26	5.36	5.26	4.82	
74AUG	119.40	137.50	126.50	132.00	135.70	117.90	106.40	107.20	93.40	125.20	142.40	149.80	114.70	105.50	3.26	5.36	5.26	4.82	
74SEP	123.30	142.50	135.50	141.50	145.50	145.20	145.60	145.60	116.40	146.40	165.30	165.30	176.30	121.80	107.20	3.30	5.43	5.30	4.88
74OCT	147.50	184.80	174.90	162.50	182.90	175.00	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.47	5.75	5.55	5.15
74NOV	148.50	165.60	162.50	159.30	162.50	153.50	153.50	153.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.52	5.83	5.55	5.18
74JUL	149.40	190.00	177.90	192.50	184.40	175.00	190.80	192.50	132.20	150.40	162.30	162.30	162.30	116.40	105.60	3.53	5.81	5.52	5.15
74AUG	143.40	188.50	175.50	175.50	175.50	175.00	175.50	175.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.54	5.82	5.53	5.15
74SEP	145.00	182.90	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.55	5.83	5.54	5.15
74OCT	147.50	184.80	174.90	162.50	182.90	175.00	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.56	5.84	5.55	5.15
74NOV	148.50	165.60	162.50	159.30	162.50	153.50	153.50	153.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.57	5.85	5.56	5.15
74JUL	149.40	185.00	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.58	5.86	5.57	5.15
74AUG	145.00	185.60	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.59	5.87	5.58	5.15
74SEP	151.00	187.50	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.60	5.88	5.60	5.15
74OCT	151.50	187.50	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.61	5.89	5.61	5.15
74NOV	151.50	187.50	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.62	5.90	5.62	5.15
74DEC	151.50	197.00	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.63	5.91	5.63	5.15
75JAN	152.00	197.50	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.64	5.92	5.64	5.15
75FEB	152.50	197.50	162.50	162.50	162.50	162.50	162.50	162.50	142.10	162.30	162.30	162.30	162.30	116.40	105.60	3.65	5.93	5.65	5.15
75MAR	153.00	1																	

MONTHLY DATA FOR

MATERIALS

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
CY/MO	RUG/FEW	130262	130264	150141	150153	220111	220151	250101	250113	250117	250502	250463	117AAN	CP/HE/S	SC/STK	EX/RN	TI-4IL	ELECT	
76JAN	152.30	197.00	162.50	214.80	198.40	135.70	242.00	147.20	165.40	149.20	241.50	171.60	114.50	3.63	6.47	6.32	5.74	76	
76FEB	154.20	197.00	162.50	214.80	193.40	125.70	242.70	153.80	147.20	169.30	150.10	241.50	171.80	114.90	3.37	6.54	6.33	5.94	76
76MAR	155.50	197.30	162.50	214.80	210.30	135.70	242.00	163.50	147.20	169.20	152.20	241.50	171.80	114.70	3.54	6.58	6.37	5.96	76
76APR	156.70	197.00	162.50	214.80	210.20	136.00	242.00	163.50	147.20	169.30	163.20	241.50	171.80	114.90	3.58	6.54	6.21	5.93	76
76MAY	157.0	197.00	162.50	214.80	210.20	136.50	242.00	139.30	154.80	173.50	162.50	241.50	171.80	115.20	3.91	6.57	6.37	5.93	76
76JUN	157.20	209.10	162.50	214.80	215.20	136.50	242.00	175.50	154.80	160.40	166.70	241.50	171.80	115.40	3.24	6.54	6.42	5.94	76
76JUL	156.20	209.10	162.50	214.80	219.50	176.40	255.90	175.50	154.80	190.70	168.40	241.50	171.80	115.40	3.97	6.67	6.61	5.99	76
76AUG	161.00	209.10	172.40	216.40	220.60	176.40	255.90	175.50	154.80	186.90	171.40	241.50	171.80	115.50	3.99	6.54	6.02	5.98	77
76SEP	163.40	209.10	175.50	216.40	220.50	176.40	255.90	175.50	154.80	190.30	172.50	241.50	171.80	115.60	4.01	6.63	6.66	6.03	77
76OCT	164.50	209.10	175.50	216.40	220.60	165.90	255.90	170.30	154.80	197.50	174.70	241.50	171.80	116.20	4.34	6.75	6.71	6.05	77
76NOV	164.40	209.10	176.50	216.40	228.60	184.90	265.90	190.30	154.80	197.50	169.50	241.50	171.80	116.40	4.66	6.77	6.75	6.12	77
76DEC	164.60	220.50	176.50	216.40	229.70	163.90	255.90	190.30	154.80	197.50	161.60	241.50	171.80	116.50	4.15	6.81	6.56	6.18	77
77JAN	164.50	222.60	176.50	216.40	251.80	189.50	255.90	190.30	154.80	197.50	161.60	241.50	171.80	117.50	4.21	6.90	6.53	6.14	77
77FEB	164.40	222.60	186.60	220.70	251.80	207.10	267.00	190.30	154.80	197.50	160.70	241.50	171.80	118.20	4.15	6.92	6.57	6.20	77
77MAR	164.30	222.60	186.50	230.40	231.90	221.40	267.00	190.30	154.80	197.50	161.60	241.50	171.80	118.80	4.20	6.95	6.36	6.25	77
77APR	165.50	222.60	195.60	233.40	231.80	221.40	267.00	196.00	161.50	205.70	175.30	262.60	171.80	116.80	4.26	6.98	6.84	6.29	77
77MAY	166.40	222.60	200.10	235.70	231.80	221.40	267.00	199.60	161.50	209.70	175.30	262.60	171.80	118.80	4.26	7.04	6.65	6.35	77
77JUN	167.40	222.60	203.60	235.70	231.80	221.40	267.30	203.70	161.50	209.70	175.30	262.60	171.80	119.80	4.32	7.06	6.95	6.39	77
77JUL	167.40	222.60	205.60	235.70	231.80	221.40	275.40	207.30	161.50	209.70	175.30	262.60	171.80	119.80	4.35	7.05	7.01	6.43	77
77AUG	169.10	237.40	207.50	239.40	234.20	221.40	275.40	190.60	167.80	220.20	176.20	262.60	170.90	118.80	4.56	7.14	7.02	6.45	77
77SEP	169.50	237.40	207.50	239.40	240.10	221.40	275.40	204.60	167.80	220.20	163.10	262.60	168.80	120.50	4.44	7.17	7.15	6.57	77
77OCT	170.20	237.40	207.20	239.40	240.10	221.40	275.40	205.60	167.80	220.20	156.80	262.60	163.10	121.10	4.56	7.16	7.17	6.56	77
77NOV	170.29	237.40	207.50	239.40	241.20	221.40	275.40	211.30	167.80	220.20	160.60	262.60	163.10	121.70	4.61	7.23	7.33	6.65	77
77DEC	170.20	237.40	207.50	239.40	241.20	221.40	275.40	211.30	167.80	220.20	161.20	262.60	163.10	121.70	4.61	7.28	7.53	6.63	77
78JAN	170.20	237.40	207.50	239.40	241.20	221.40	275.40	211.30	167.80	220.20	161.20	262.60	163.10	121.70	4.61	7.36	7.46	6.62	77
78FEB	170.20	237.40	207.50	239.40	241.20	221.40	275.40	211.30	167.80	220.20	161.20	262.60	163.10	121.70	4.74	7.44	7.66	6.63	77
78MAR	171.40	250.80	192.90	241.90	257.70	235.70	275.40	228.50	170.40	229.30	167.60	262.60	170.10	125.80	4.76	7.44	7.55	6.67	77
78APR	172.40	254.10	190.50	260.00	275.70	235.70	275.40	229.50	173.10	230.60	168.30	262.60	170.10	125.30	4.77	7.50	7.58	6.74	78
78MAY	173.70	254.50	192.70	260.00	265.70	228.60	230.90	228.50	170.40	229.30	211.20	262.60	170.20	125.20	4.77	7.52	7.60	6.75	78
78JUN	174.40	254.50	194.00	260.00	265.90	228.50	230.90	228.50	173.10	230.60	211.30	262.60	173.80	126.50	4.77	7.54	7.69	6.80	78
78JUL	174.70	254.50	196.60	260.00	265.90	228.50	230.90	228.50	173.10	230.60	212.10	262.60	173.90	127.10	4.81	7.61	7.77	6.81	78
78AUG	175.40	262.90	201.10	260.60	275.30	233.20	260.00	245.20	173.90	232.00	212.10	262.60	175.70	127.10	4.93	7.63	7.82	6.89	78
78SEP	176.60	262.90	201.10	263.90	275.00	235.70	265.00	245.50	173.90	232.00	214.10	262.60	175.60	127.30	4.94	7.77	7.96	6.94	78

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APPENDIX F

HISTORICAL INFLATION INDICES :

F1

HISTORICAL INFLATION
PRE-1958 INDICES

AIRFRAME PRODUCTION		ENGINE PRODUCTION	
INDEX	FACTOR	INDEX	FACTOR
FY67=	FY67=	CY67=	CY67=
100.0	1.0000	100.0	1.0000
-----	-----	-----	-----
47	4.4072	55.2	5.9125
52.1	4.0051	61.8	3.4954
53.8	3.8730	63.1	3.4216
56.9	3.6767	66.4	3.2531
52.4	3.3414	73.3	2.9449
64.7	3.2251	74.9	2.9853
67.5	3.0934	77.0	2.7743
53	3.0058	79.3	2.7217
54	2.8532	84.0	2.6599
55	2.6849	90.2	2.5936
56	2.6125	92.5	2.5544
57	79.9	-----	32.7

AGGREGATE AIR VEHICLE
EXCLUDING AVIONICS

INDEX	FACTOR	INDEX	FACTOR
CY67=	FY67=	CY67=	FY67=
100.0	1.0000	100.0	1.0000
-----	-----	-----	-----
45.1	4.2936	45.1	4.2936
54.2	3.6769	54.2	3.6769
55.9	3.7642	55.9	3.7642
59.9	3.5706	59.9	3.5706
64.9	3.2418	64.9	3.2418
67.0	3.1402	67.0	3.1402
69.8	3.0143	69.8	3.0143
71.6	2.9359	71.6	2.9359
75.6	2.7832	75.6	2.7832
80.4	2.6153	80.4	2.6153
32.7	2.5434	32.7	2.5434

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HISTORICAL INFLATION¹
CALENDAR YEAR INDICES

AIRCRAFT PRODUCTION ⁴	ENGINE PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
	INDEX CY67=100.0	FACTOR FY78=1.0000	INDEX CY67=100.0	FACTOR FY78=1.0000	INDEX CY67=100.0	FACTOR FY78=1.0000	INDEX CY67=100.0	FACTOR FY78=1.0000
61	66.0	2.4270	95.6	2.2572	37.4	2.0455	66.1	2.3860
62	67.1	2.3945	95.9	2.2520	66.1	2.0296	69.1	2.3695
63	69.0	2.3701	94.4	2.2869	69.0	2.0101	89.1	2.3596
64	79.2	2.3535	92.5	2.3367	91.1	1.9525	69.9	2.3393
65	92.3	2.2601	92.7	2.3285	92.6	1.9316	92.4	2.2753
66	96.5	2.1629	75.5	2.2605	75.5	1.6745	96.3	2.1842
67	100.0	2.0357	100.0	2.1590	100.0	1.7347	100.0	2.1027
68	103.5	2.0182	104.5	2.0640	104.1	1.7175	104.0	2.0222
69	110.4	1.8904	111.1	1.9425	106.1	1.6545	110.0	1.9021
70	116.9	1.7456	121.8	1.7724	113.2	1.5802	118.0	1.7826
71	120.9	1.7267	427.6	1.6922	117.4	1.5436	122.3	1.7187
72	128.3	1.6166	139.7	1.6514	121.0	1.4765	129.3	1.6260
73	137.7	1.5145	135.3	1.5562	125.4	1.4265	137.2	1.5327
74	156.0	1.3551	147.2	1.5736	134.7	1.3316	154.7	1.3593
75	172.0	1.2132	173.1	1.2126	146.2	1.2255	176.4	1.2129
76	164.4	1.1305	149.7	1.1364	152.7	1.1714	165.7	1.1323
77	157.8	1.0547	207.4	1.0592	169.4	1.0563	206.6	1.0544

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HISTORICAL INFLATION
MONTHLY INDICES

AIRCRAFT PRODUCTION		EQUIPMENT PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR
FY	FY78=1.0000	FY	FY78=1.0000	FY	FY78=1.0000	FY	FY78=1.0000	FY	FY78=1.0000
JUL	50	99.3	2.1115	99.4	2.1711	100.5	1.7794	99.3	2.1170
AUG	52	100.3	2.0775	100.0	2.1544	100.2	1.7851	100.3	2.0972
SEP	57	100.7	1.6730	101.1	2.1507	100.1	1.7853	100.4	2.0902
OCT	67	101.7	2.0551	102.1	2.1141	100.7	1.7764	101.4	2.0745
NOV	67	102.1	2.0446	102.3	2.1110	100.9	1.7729	102.1	2.0594
DEC	57	102.4	2.0300	103.2	2.0923	102.0	1.7533	102.9	2.0439
JAN	68	102.5	2.0361	102.5	2.0486	102.3	1.7444	102.7	2.0473
FEB	66	102.5	2.0351	103.5	2.0782	103.3	1.7311	102.6	2.0447
MAR	59	102.6	2.0349	105.5	2.0591	103.2	1.7327	102.9	2.0443
APR	65	101.9	2.0475	103.0	2.0966	102.7	1.7414	102.1	2.0585
MAY	65	102.4	2.0563	104.1	2.0745	103.6	1.7257	102.8	2.0464
JUN	65	102.4	2.0363	104.4	2.0673	104.1	1.7461	103.1	2.0386
JUL	60	99	2.0302	104.5	2.0666	104.1	1.7146	103.2	2.0364
AUG	68	59	2.0393	105.4	2.2528	104.7	1.7690	104.1	2.0190
SEP	53	59	1.9919	105.3	2.0502	105.0	1.7642	104.9	2.0049
OCT	65	59	106.5	1.9575	2.0452	105.2	1.6993	106.4	1.9769
NOV	65	65	107.0	1.9512	2.0397	105.3	1.6896	106.7	1.9704
DEC	53	64	107.3	1.9441	2.0155	106.2	1.6849	107.3	1.9599
JAN	65	63	107.5	1.9417	1.9716	106.1	1.6855	107.6	1.9541
FEB	65	69	108.9	1.9150	1.9956	107.4	1.6657	108.8	1.9333
MAR	69	69	108.9	1.9151	1.9972	107.2	1.6693	105.7	1.6544
APR	69	59	109.2	1.9101	1.9644	1.5907	1.6729	109.1	1.9279
MAY	69	69	109.2	1.9100	1.9816	1.6762	1.6593	109.2	1.9257
JUN	69	69	109.4	1.9092	1.9020	1.4579	1.6844	109.6	1.9193
JUL	63	70	109.3	1.9217	1.9301	1.4917	1.6546	109.6	1.9541
AUG	35	70	109.2	1.9216	1.9502	1.6527	1.6508	109.6	1.9186
SEP	69	70	110.4	1.8780	1.9314	1.9972	1.6476	103.7	1.6935
OCT	70	70	112.3	1.8590	1.9002	1.9483	1.6342	110.5	1.9029
NOV	69	70	113.9	1.8343	1.8959	1.8929	1.6072	113.0	1.9593
DEC	69	70	114.5	1.8209	1.8216	1.8081	1.6203	110.4	1.8426
JAN	70	70	114.9	1.8153	1.8204	1.7957	1.6117	115.7	1.8179
FEB	70	70	115.0	1.8147	1.8147	1.7974	1.6110	115.1	1.7991
MAR	70	70	115.1	1.8132	1.8147	1.7924	1.6130	116.2	1.8093
APR	70	70	115.4	1.7688	1.8132	1.7950	1.6115	116.2	1.8029
MAY	70	70	115.7	1.7532	1.8029	1.7933	1.6115	116.5	1.8041
JUN	70	71	115.9	1.7441	1.8209	1.7827	1.6115	116.9	1.7985
JUL	70	71	116.1	1.7346	1.8110	1.7766	1.5752	117.1	1.7954
AUG	70	71	116.4	1.7247	1.7972	1.7614	1.5671	117.4	1.7915
SEP	70	71	116.6	1.7188	1.7817	1.7546	1.5613	117.6	1.7843
OCT	70	71	116.8	1.7153	1.7657	1.7487	1.5644	117.8	1.7643
NOV	70	71	116.9	1.7150	1.7595	1.7393	1.5595	118.0	1.7576
DEC	70	71	117.3	1.7010	1.7346	1.7165	1.5443	121.0	1.7373
JAN	71	71	119.9	1.7006	1.7346	1.7242	1.5237	121.3	1.7327
FEB	71	71	119.6	1.6788	1.7346	1.7307	1.5252	121.0	1.7365
MAR	71	71	119.4	1.6783	1.7255	1.7224	1.5270	120.8	1.7404
APR	71	71	120.0	1.6786	1.7341	1.7241	1.5215	120.7	1.7384
MAY	71	71	120.2	1.6782	1.7241	1.7159	1.5164	120.9	1.7357
JUN	71	71	120.7	1.6780	1.7241	1.7164	1.5180	122.4	1.7381

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JUL	71	120.6	1.7305	124.7	1.5164	116.0	1.7180	122.4	1.6985
AUG	71	72	121.2	1.7222	128.9	1.6751	118.0	1.5160	122.9
SEP	71	72	121.6	1.7158	128.6	1.5712	116.2	1.5139	123.2
OCT	71	72	122.1	1.7095	129.2	1.5712	117.0	1.5290	123.0
NOV	71	72	122.7	1.7006	129.5	1.6669	117.2	1.5260	124.2
DEC	71	72	123.2	1.6934	130.4	1.5854	116.4	1.5113	124.4
JAN	72	72	122.7	1.7016	130.1	1.6591	116.9	1.5043	124.3
FEB	72	72	125.6	1.6613	131.0	1.6484	119.6	1.5033	126.0
MAR	72	72	126.6	1.6455	131.5	1.6412	120.1	1.4893	127.1
APR	72	72	128.4	1.6204	131.7	1.6389	119.7	1.4930	128.5
MAY	72	72	128.6	1.6224	132.5	1.6265	120.6	1.4834	128.6
JUN	72	72	128.7	1.6227	125.1	1.6150	121.1	1.4772	127.5
JUL	72	73	127.1	1.6422	123.5	1.6795	121.5	1.4727	127.4
AUG	72	73	129.6	1.6100	128.3	1.7281	121.4	1.4736	126.8
SEP	72	73	130.2	1.6052	129.0	1.6731	122.1	1.4647	126.6
OCT	72	73	131.3	1.5723	129.3	1.6090	122.1	1.4651	127.1
NOV	72	73	133.5	1.5626	129.7	1.5640	121.3	1.4646	127.0
DEC	72	73	134.3	1.5471	131.6	1.6412	123.0	1.4543	134.4
JAN	73	73	134.1	1.5566	130.9	1.6483	125.1	1.4532	135.0
FEB	73	73	134.9	1.5469	130.9	1.6494	125.1	1.4532	135.3
MAR	73	73	135.3	1.5420	132.6	1.6288	123.4	1.4566	132.9
APR	73	73	135.3	1.5425	132.7	1.6267	124.1	1.4551	129.1
MAY	73	73	135.5	1.5626	134.2	1.6394	124.2	1.4546	130.5
JUN	73	73	136.4	1.5293	135.2	1.5963	124.5	1.4532	135.0
JUL	73	74	136.2	1.5318	136.3	1.5844	125.2	1.4291	136.2
AUG	73	73	139.5	1.5061	136.5	1.5616	126.0	1.4566	136.0
SEP	73	74	139.1	1.4992	136.9	1.5772	126.6	1.4126	136.5
OCT	73	74	141.1	1.4792	132.7	1.5745	127.3	1.4054	135.8
NOV	73	74	135.3	1.5314	134.2	1.6394	124.2	1.4399	134.7
DEC	73	74	134.3	1.5471	131.6	1.6412	123.0	1.4543	133.0
JAN	73	75	134.1	1.5566	130.9	1.6483	125.1	1.4532	135.3
FEB	73	75	134.9	1.5469	130.9	1.6494	125.1	1.4532	135.1
MAR	73	75	135.3	1.5420	132.6	1.6288	123.4	1.4566	133.6
APR	73	75	135.3	1.5425	132.7	1.6267	124.1	1.4547	133.7
MAY	73	75	135.5	1.5626	134.2	1.6394	124.2	1.4548	134.6
JUN	73	75	136.4	1.5293	135.2	1.5963	124.5	1.4532	135.0
JUL	73	74	136.2	1.5318	136.3	1.5844	125.2	1.4291	135.4
AUG	73	74	139.5	1.5061	136.5	1.5772	126.0	1.4191	136.9
SEP	73	74	139.1	1.4992	136.9	1.5772	126.6	1.4126	136.5
OCT	73	74	141.1	1.4792	137.3	1.5719	127.3	1.4054	137.4
NOV	73	74	141.7	1.4727	136.3	1.5650	127.8	1.4399	138.4
DEC	73	74	143.5	1.4543	140.9	1.5324	129.0	1.4396	139.6
JAN	74	74	144.5	1.4475	140.4	1.5324	128.9	1.4384	139.6
FEB	74	74	145.9	1.4302	141.4	1.5370	128.9	1.4291	139.6
MAR	74	74	147.2	1.4174	143.0	1.4999	130.4	1.4126	139.6
APR	74	74	147.7	1.4174	143.0	1.4999	127.3	1.4054	139.6
MAY	74	74	148.6	1.4102	144.6	1.4332	131.3	1.3963	139.6
JUN	74	74	151.3	1.3792	154.1	1.4003	132.3	1.3963	140.0
JUL	74	75	152.3	1.3705	155.4	1.3772	134.3	1.3864	142.2
AUG	74	75	154.4	1.3611	156.0	1.3511	135.4	1.3580	144.4
SEP	74	75	157.5	1.3251	165.1	1.2994	135.4	1.3200	144.9
OCT	74	75	158.4	1.3174	167.3	1.2924	137.3	1.3117	145.6
NOV	74	75	161.5	1.2936	169.5	1.2806	137.6	1.2908	146.6
DEC	74	75	162.7	1.2425	167.5	1.2750	139.6	1.2841	146.7
JAN	75	75	165.5	1.2763	171.9	1.2570	141.9	1.2719	147.0
FEB	75	75	166.6	1.2692	177.3	1.2176	143.2	1.2502	148.7
MAR	75	75	166.0	1.2572	176.0	1.2264	144.0	1.2422	148.2
APR	75	75	167.3	1.2473	176.7	1.2219	144.6	1.2342	149.4
MAY	75	75	168.9	1.2355	177.0	1.2198	145.2	1.2313	150.0
JUN	75	75	170.4	1.2245	176.6	1.2103	145.6	1.2219	150.4
JUL	75	75	171.9	1.2173	177.5	1.2163	146.4	1.2142	150.5
SEP	74	75	172.0	1.2037	177.4	1.2167	147.9	1.2090	151.7
OCT	74	75	172.4	1.1974	176.0	1.2024	148.0	1.2050	152.0
NOV	75	75	173.3	1.1916	179.1	1.2052	147.6	1.2049	152.4
DEC	75	75	174.1	1.1853	179.5	1.2030	147.4	1.2047	152.8
JAN	75	76	174.7	1.1775	179.1	1.2025	147.4	1.2047	153.2
FEB	76	76	175.2	1.1716	179.1	1.2025	147.6	1.2047	153.6
MAR	76	76	176.3	1.1653	179.5	1.2030	147.4	1.2047	154.0
APR	76	76	176.5	1.1577	179.5	1.2030	147.4	1.2047	154.4
MAY	76	76	177.2	1.1517	179.0	1.2025	147.4	1.2047	154.8
JUN	76	76	178.0	1.1494	179.0	1.2025	147.4	1.2047	155.2

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JUL	76	77	185.7	1.1239	189.5	1.1390	182.6	1.1724	186.5	1.1273	183.1	1.1311
AUG	76	77	185.5	1.1251	192.3	1.1229	185.2	1.1677	187.0	1.1246	183.6	1.1282
SEP	75	77	186.9	1.1165	184.0	1.1127	183.7	1.1625	186.5	1.1157	195.0	1.1196
OCT	76	77	189.2	1.1031	194.7	1.1090	154.2	1.1850	190.4	1.1045	186.8	1.1086
NOV	76	77	169.7	1.0996	195.5	1.1053	155.5	1.1502	191.0	1.1040	187.4	1.1051
DEC	75	77	190.6	1.0940	145.7	1.0976	156.5	1.1245	172.9	1.0955	188.6	1.0982
JAN	77	77	192.0	1.0369	193.6	1.0772	180.4	1.1153	193.5	1.0870	190.1	1.0693
FEB	77	77	192.7	1.0829	139.1	1.0203	155.9	1.1187	194.3	1.0823	190.8	1.0954
MAR	77	77	193.6	1.0768	202.7	1.0649	160.2	1.1167	195.5	1.0741	192.2	1.0776
APR	77	77	195.5	1.0674	202.7	1.0551	161.0	1.1119	147.1	1.0669	194.5	1.0706
MAY	77	77	196.9	1.0550	206.4	1.0462	162.1	1.1033	198.0	1.0568	195.3	1.0606
JUN	77	77	197.7	1.0552	204.6	1.0453	163.3	1.0912	200.1	1.0506	196.5	1.0540
JUL	77	77	198.2	1.0526	210.1	1.0779	164.7	1.0856	205.1	1.0479	197.2	1.0502
AUG	77	77	199.5	1.0472	210.2	1.0469	165.6	1.0799	201.7	1.0425	196.1	1.0456
SEP	77	77	200.2	1.0387	214.3	1.0216	167.9	1.0651	203.2	1.0348	199.7	1.0374
OCT	77	75	200.7	1.0396	212.7	1.0151	172.2	1.0386	205.4	1.0339	200.5	1.0343
NOV	77	75	202.7	1.0296	213.6	1.0136	173.3	1.0322	205.5	1.0259	201.6	1.0265
DEC	77	79	203.5	1.0255	215.3	1.0026	175.6	1.0116	206.1	1.0202	203.1	1.0201
JAN	76	75	205.1	1.0175	212.6	1.0144	177.5	1.0052	206.8	1.0164	203.9	1.0158
FEB	76	75	207.2	1.0071	215.5	1.0012	178.6	1.0014	209.1	1.0057	206.0	1.0053
MAR	78	74	208.1	1.0027	214.0	1.0085	179.0	0.9994	209.4	1.0041	206.4	1.0037
APR	78	75	209.7	0.9950	215.3	1.0012	179.1	0.9947	210.6	0.9982	207.5	0.9983
MAY	78	74	210.3	0.9924	215.1	1.0051	179.2	0.9973	211.3	0.9952	206.1	0.9952
JUN	78	75	211.0	0.9089	216.7	0.9922	179.5	0.9960	212.3	0.9905	205.0	0.9910
JUL	78	75	212.7	0.9309	215.4	0.9086	180.4	0.9931	214.0	0.9826	210.7	0.9932
AUG	75	74	215.0	0.9559	220.7	0.9744	184.4	0.9705	217.1	0.9687	213.5	0.9680
SEP	78	74	217.0	0.9616	222.6	0.9707	186.4	0.9577	211.2	0.9631	215.1	0.9631

HISTORICAL INFLATION QUARTERLY INDICES

Aviation Production									
Infrastructure Construction					Aerospace Production				
INDEX	FACTOR	FY76=	INDEX	FACTOR	FY76=	INDEX	FACTOR	FY76=	INDEX
100.0	1.0000	1.0000	100.0	1.0000	1.0000	100.0	1.0000	1.0000	100.0
2.0446	2.1004	99.9	2.0450	2.1056	102.0	2.0350	2.0767	102.1	2.0096
1.0204	1.0204	102.0	1.0204	1.0204	101.0	1.0204	1.0204	102.0	1.0204
1.0205	1.0205	103.0	1.0205	1.0205	103.0	1.0205	1.0205	102.9	1.0205
1.0206	1.0206	103.1	1.0206	1.0206	103.1	1.0206	1.0206	102.9	1.0206
1.0207	1.0207	103.2	1.0207	1.0207	103.2	1.0207	1.0207	102.8	1.0207
1.0208	1.0208	103.3	1.0208	1.0208	103.3	1.0208	1.0208	102.6	1.0208
1.0209	1.0209	103.4	1.0209	1.0209	103.4	1.0209	1.0209	102.5	1.0209
1.0210	1.0210	103.5	1.0210	1.0210	103.5	1.0210	1.0210	102.4	1.0210
1.0211	1.0211	103.6	1.0211	1.0211	103.6	1.0211	1.0211	102.3	1.0211
1.0212	1.0212	103.7	1.0212	1.0212	103.7	1.0212	1.0212	102.2	1.0212
1.0213	1.0213	103.8	1.0213	1.0213	103.8	1.0213	1.0213	102.1	1.0213
1.0214	1.0214	103.9	1.0214	1.0214	103.9	1.0214	1.0214	102.0	1.0214
1.0215	1.0215	104.0	1.0215	1.0215	104.0	1.0215	1.0215	101.9	1.0215
1.0216	1.0216	104.1	1.0216	1.0216	104.1	1.0216	1.0216	101.8	1.0216
1.0217	1.0217	104.2	1.0217	1.0217	104.2	1.0217	1.0217	101.7	1.0217
1.0218	1.0218	104.3	1.0218	1.0218	104.3	1.0218	1.0218	101.6	1.0218
1.0219	1.0219	104.4	1.0219	1.0219	104.4	1.0219	1.0219	101.5	1.0219
1.0220	1.0220	104.5	1.0220	1.0220	104.5	1.0220	1.0220	101.4	1.0220
1.0221	1.0221	104.6	1.0221	1.0221	104.6	1.0221	1.0221	101.3	1.0221
1.0222	1.0222	104.7	1.0222	1.0222	104.7	1.0222	1.0222	101.2	1.0222
1.0223	1.0223	104.8	1.0223	1.0223	104.8	1.0223	1.0223	101.1	1.0223
1.0224	1.0224	104.9	1.0224	1.0224	104.9	1.0224	1.0224	101.0	1.0224
1.0225	1.0225	105.0	1.0225	1.0225	105.0	1.0225	1.0225	100.9	1.0225
1.0226	1.0226	105.1	1.0226	1.0226	105.1	1.0226	1.0226	100.8	1.0226
1.0227	1.0227	105.2	1.0227	1.0227	105.2	1.0227	1.0227	100.7	1.0227
1.0228	1.0228	105.3	1.0228	1.0228	105.3	1.0228	1.0228	100.6	1.0228
1.0229	1.0229	105.4	1.0229	1.0229	105.4	1.0229	1.0229	100.5	1.0229
1.0230	1.0230	105.5	1.0230	1.0230	105.5	1.0230	1.0230	100.4	1.0230
1.0231	1.0231	105.6	1.0231	1.0231	105.6	1.0231	1.0231	100.3	1.0231
1.0232	1.0232	105.7	1.0232	1.0232	105.7	1.0232	1.0232	100.2	1.0232
1.0233	1.0233	105.8	1.0233	1.0233	105.8	1.0233	1.0233	100.1	1.0233
1.0234	1.0234	105.9	1.0234	1.0234	105.9	1.0234	1.0234	100.0	1.0234
1.0235	1.0235	106.0	1.0235	1.0235	106.0	1.0235	1.0235	99.9	1.0235
1.0236	1.0236	106.1	1.0236	1.0236	106.1	1.0236	1.0236	99.8	1.0236
1.0237	1.0237	106.2	1.0237	1.0237	106.2	1.0237	1.0237	99.7	1.0237
1.0238	1.0238	106.3	1.0238	1.0238	106.3	1.0238	1.0238	99.6	1.0238
1.0239	1.0239	106.4	1.0239	1.0239	106.4	1.0239	1.0239	99.5	1.0239
1.0240	1.0240	106.5	1.0240	1.0240	106.5	1.0240	1.0240	99.4	1.0240
1.0241	1.0241	106.6	1.0241	1.0241	106.6	1.0241	1.0241	99.3	1.0241
1.0242	1.0242	106.7	1.0242	1.0242	106.7	1.0242	1.0242	99.2	1.0242
1.0243	1.0243	106.8	1.0243	1.0243	106.8	1.0243	1.0243	99.1	1.0243
1.0244	1.0244	106.9	1.0244	1.0244	106.9	1.0244	1.0244	99.0	1.0244
1.0245	1.0245	107.0	1.0245	1.0245	107.0	1.0245	1.0245	98.9	1.0245
1.0246	1.0246	107.1	1.0246	1.0246	107.1	1.0246	1.0246	98.8	1.0246
1.0247	1.0247	107.2	1.0247	1.0247	107.2	1.0247	1.0247	98.7	1.0247
1.0248	1.0248	107.3	1.0248	1.0248	107.3	1.0248	1.0248	98.6	1.0248
1.0249	1.0249	107.4	1.0249	1.0249	107.4	1.0249	1.0249	98.5	1.0249
1.0250	1.0250	107.5	1.0250	1.0250	107.5	1.0250	1.0250	98.4	1.0250
1.0251	1.0251	107.6	1.0251	1.0251	107.6	1.0251	1.0251	98.3	1.0251
1.0252	1.0252	107.7	1.0252	1.0252	107.7	1.0252	1.0252	98.2	1.0252
1.0253	1.0253	107.8	1.0253	1.0253	107.8	1.0253	1.0253	98.1	1.0253
1.0254	1.0254	107.9	1.0254	1.0254	107.9	1.0254	1.0254	98.0	1.0254
1.0255	1.0255	108.0	1.0255	1.0255	108.0	1.0255	1.0255	97.9	1.0255
1.0256	1.0256	108.1	1.0256	1.0256	108.1	1.0256	1.0256	97.8	1.0256
1.0257	1.0257	108.2	1.0257	1.0257	108.2	1.0257	1.0257	97.7	1.0257
1.0258	1.0258	108.3	1.0258	1.0258	108.3	1.0258	1.0258	97.6	1.0258
1.0259	1.0259	108.4	1.0259	1.0259	108.4	1.0259	1.0259	97.5	1.0259
1.0260	1.0260	108.5	1.0260	1.0260	108.5	1.0260	1.0260	97.4	1.0260
1.0261	1.0261	108.6	1.0261	1.0261	108.6	1.0261	1.0261	97.3	1.0261
1.0262	1.0262	108.7	1.0262	1.0262	108.7	1.0262	1.0262	97.2	1.0262
1.0263	1.0263	108.8	1.0263	1.0263	108.8	1.0263	1.0263	97.1	1.0263
1.0264	1.0264	108.9	1.0264	1.0264	108.9	1.0264	1.0264	97.0	1.0264
1.0265	1.0265	109.0	1.0265	1.0265	109.0	1.0265	1.0265	96.9	1.0265
1.0266	1.0266	109.1	1.0266	1.0266	109.1	1.0266	1.0266	96.8	1.0266
1.0267	1.0267	109.2	1.0267	1.0267	109.2	1.0267	1.0267	96.7	1.0267
1.0268	1.0268	109.3	1.0268	1.0268	109.3	1.0268	1.0268	96.6	1.0268
1.0269	1.0269	109.4	1.0269	1.0269	109.4	1.0269	1.0269	96.5	1.0269
1.0270	1.0270	109.5	1.0270	1.0270	109.5	1.0270	1.0270	96.4	1.0270
1.0271	1.0271	109.6	1.0271	1.0271	109.6	1.0271	1.0271	96.3	1.0271
1.0272	1.0272	109.7	1.0272	1.0272	109.7	1.0272	1.0272	96.2	1.0272
1.0273	1.0273	109.8	1.0273	1.0273	109.8	1.0273	1.0273	96.1	1.0273
1.0274	1.0274	109.9	1.0274	1.0274	109.9	1.0274	1.0274	96.0	1.0274
1.0275	1.0275	110.0	1.0275	1.0275	110.0	1.0275	1.0275	95.9	1.0275
1.0276	1.0276	110.1	1.0276	1.0276	110.1	1.0276	1.0276	95.8	1.0276
1.0277	1.0277	110.2	1.0277	1.0277	110.2	1.0277	1.0277	95.7	1.0277
1.0278	1.0278	110.3	1.0278	1.0278	110.3	1.0278	1.0278	95.6	1.0278
1.0279	1.0279	110.4	1.0279	1.0279	110.4	1.0279	1.0279	95.5	1.0279
1.0280	1.0280	110.5	1.0280	1.0280	110.5	1.0280	1.0280	95.4	1.0280
1.0281	1.0281	110.6	1.0281	1.0281	110.6	1.0281	1.0281	95.3	1.0281
1.0282	1.0282	110.7	1.0282	1.0282	110.7	1.0282	1.0282	95.2	1.0282
1.0283	1.0283	110.8	1.0283	1.0283	110.8	1.0283	1.0283	95.1	1.0283
1.0284	1.0284	110.9	1.0284	1.0284	110.9	1.0284	1.0284	95.0	1.0284
1.0285	1.0285	111.0	1.0285	1.0285	111.0	1.0285	1.0285	94.9	1.0285
1.0286	1.0286	111.1	1.0286	1.0286	111.1	1.0286	1.0286	94.8	1.0286
1.0287	1.0287	111.2	1.0287	1.0287	111.2	1.0287	1.0287	94.7	1.0287
1.0288	1.0288	111.3	1.0288	1.0288	111.3	1.0288	1.0288	94.6	1.0288
1.0289	1.0289	111.4	1.0289	1.0289	111.4	1.0289	1.0289	94.5	1.0289
1.0290	1.0290	111.5	1.0290	1.0290	111.5	1.0290	1.0290	94.4	1.0290
1.0291	1.0291	111.6	1.0291	1.0291	111.6	1.0291	1.0291	94.3	1.0291
1.0292	1.0292	111.7	1.0292	1.0292	111.7	1.0292	1.0292	94.2	1.0292
1.0293	1.0293	111.8	1.0293	1.0293	111.8	1.0293	1.0293	94.1	1.0293
1.0294	1.0294	111.9	1.0294	1.0294	111.9	1.0294	1.0294	94.0	1.0294
1.0295	1.0295	112.0	1.0295	1.0295	112.0	1.0295	1.0295	93.9	1.0295
1.0296	1.0296	112.1	1.0296	1.0296	112.1	1.0296	1.0296	93.8	1.0296
1.0297	1.0297	112.2	1.0297	1.0297	112.2	1.0297	1.0297	93.7	1.0297
1.0298	1.0298	112.3	1.0298	1.0298	112.3	1.0298	1.0298	93.6	1.0298
1.0299	1.0299	112.4	1.0299	1.0299	112.4	1.0299	1.0299	93.5	1.0299
1.0300	1.0300	112.5	1.0300	1.0300	112.5	1.0300	1.0300	93.4	1.0300
1.0301	1.0301	112.6	1.0301	1.0301	112.6	1.0301	1.0301	93.3	1.0301
1.0302	1.0302	112.7	1.0302	1.0302	112.7	1.0302	1.0302	93.2	1.0302
1.0303	1.0303	112.8	1.0303	1.0303	112.8	1.0303	1.0303	93.1	1.0303
1.0304	1.0304	112.9	1.0304	1.0304	112.9	1.0304	1.0304	93.0	1.0304
1.0305	1.0305	113.0	1.0305	1.0305	113.0	1.0305	1.0305	92.9	1.0305
1.0306	1.0306	113.1	1.0306	1.0306	113.1	1.0306	1.0306	92.8	1.0306
1.0307	1.0307	113.2	1.0307	1.0307	113.2	1.0307	1.0307	92.7	1.0307
1.0308	1.0308	113.3	1.0308	1.0308	113.3	1.0			

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HISTORICAL INFLATION
FISCAL YEAR INDICES

	AIRFRAME PRODUCTION	ENGINES PRODUCTION	AVIONICS PRODUCTION	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS	AGGREGATE AIR VEHICLE INCLUDING AVIONICS
INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR
CY67=	FY74=	CY67=	FY78=	CY67=	FY78=
100.0	1.0000	100.0	1.0000	100.0	1.0000
70	2.0500	102.5	2.1083	102.0	2.1055
71	1.3480	107.1	2.0153	106.2	1.6942
72	1.157.1	117.5	1.8410	110.7	1.6174
73	1.155.0	117.5	1.8410	110.7	1.6174
74	1.1467	124.5	1.7540	116.4	1.5368
75	1.1467	124.4	1.7540	116.4	1.5368
76	1.1467	130.0	1.6602	118.9	1.5049
77	1.1467	131.1	1.6466	122.8	1.4562
78	1.144.1	142.3	1.5177	129.0	1.3862
79	1.144.0	142.1	1.2541	141.4	1.2650
80	1.144.0	142.5	1.1241	148.9	1.2011
81	1.1463	162.3	1.1241	148.9	1.2011
82	1.1463	166.9	1.1246	153.2	1.1675
83	1.1463	171.7	1.0717	205.1	1.1105
84	1.1463	208.7	1.0000	215.9	1.0000

	INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR
CY67=	FY74=	CY67=	FY78=	CY67=	FY78=	FY78=
100.0	1.0000	100.0	1.0000	100.0	1.0000	1.0000
70	1.0500	102.5	1.0650	102.0	1.0755	1.0755
71	1.0500	107.1	1.0650	106.2	1.0755	1.0755
72	1.0500	117.5	1.0650	110.7	1.0755	1.0755
73	1.0500	117.5	1.0650	110.7	1.0755	1.0755
74	1.0500	124.5	1.0650	116.4	1.0755	1.0755
75	1.0500	124.4	1.0650	116.4	1.0755	1.0755
76	1.0500	130.0	1.0650	118.9	1.0755	1.0755
77	1.0500	131.1	1.0650	122.8	1.0755	1.0755
78	1.0500	142.3	1.0650	142.3	1.0755	1.0755
79	1.0500	142.1	1.0650	141.4	1.0755	1.0755
80	1.0500	142.5	1.0650	141.4	1.0755	1.0755
81	1.0500	162.3	1.0650	148.9	1.0755	1.0755
82	1.0500	166.9	1.0650	153.2	1.0755	1.0755
83	1.0500	171.7	1.0650	205.1	1.1105	1.1105
84	1.0500	208.7	1.0000	215.9	1.0000	1.0000

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APPENDIX G

ANNUAL DATA FOR THE HISTORICAL INFLATION PROGRAM --
RAW MATERIAL PORTION ONLY

G 1

ANNUAL CALENDAR YEARS DATA

1	47	70.5	54.9	6.9
2	48	72.5	52.5	0.0
3	49	70.5	53.5	0.0
4	50	95.9	66.3	0.0
5	51	105.4	72.9	0.0
6	52	95.5	72.9	0.0
7	53	89.1	76.3	0.0
8	54	90.4	76.9	0.0
9	55	102.4	86.1	0.0
10	56	103.8	89.2	0.0
11	57	103.4	81.0	0.0
12	58	105.50	93.10	125.7
13	59	102.90	94.70	121.5
14	60	103.10	94.70	120.2
15	61	99.20	94.70	118.6
16	62	96.30	94.70	115.4
17	63	96.80	96.90	107.7
18	64	95.50	93.00	94.4
19	65	95.90	98.00	91.4
20	66	97.30	98.80	91.61
21	67	100.00	100.00	100.00
22	68	103.40	104.70	103.1
23	69	105.30	104.90	112.5
24	70	109.30	116.40	130.9
25	71	110.90	125.40	135.0
26	72	102.30	133.50	126.4
27	73	112.40	135.50	122.1
28	74	136.20	157.70	157.16
29	75	150.20	134.50	165.10
30	76	152.20	205.00	168.01
31			230.00	197.11
32			777.77	167.60

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MATERIAL COST DATA

APPENDIX H

MONTHLY DATA FOR THE HISTORICAL INFLATION PROGRAM --
RAW MATERIAL PORTION ONLY

H 1

MONTHLY DATA FOR MATERIALS CONSUMED

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18
 007% 130262 130264 150141 150153 220111 220151 250101 250113 250117 250250 250463 25050X 1178XX FLEET OTHER
 RJS3R CR STL STLS CAST FORGE LEAD MAGNES ALUMN SC.STK EXTRU CP/C/S MOLTEL TL.MIL FLEET 3674,9 3721 3722 3723,9 FY

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MONTHLY DATA FOR
PATERIALS ONLY

CY/MG PUBLISHER	CR STL STLS CAST	FORC LEAD	MAGNETS	ALUMINUM	SC. STR EXTRU	CP/BRS MONEL	TITANIUM	ELECTR	-1 AROR		-1 AROR							
									1	2	3	4	5	6	7	8	9	10
007X	150262	130264	150149	150151	220111	220151	250101	250113	250117	2501502	2505xx	250463	2505xx	1179xx	1179xx	FLFCI	ACFT ENG	OTMFR
71OCT	109.40	127.40	135.40	135.10	126.30	125.30	101.80	100.40	105.60	95.40	121.50	119.50	140.40	103.70	102.50	0.0	0.0	0.0
71NOV	109.30	127.40	135.10	137.10	126.30	125.30	101.10	100.30	105.60	93.40	120.50	119.10	140.40	103.70	102.50	0.0	0.0	0.0
71DEC	109.50	127.40	137.10	137.50	126.30	125.30	101.10	105.60	93.40	120.90	117.70	140.40	103.70	102.50	0.0	0.0	0.0	
72JAN	109.50	124.43	137.10	127.50	127.60	101.10	105.60	93.40	121.60	119.70	140.40	103.70	102.40	0.0	0.0	0.0	0.0	
72FEB	109.20	134.50	137.10	127.50	129.50	105.60	102.60	105.60	95.40	121.60	140.40	106.40	103.40	0.0	0.0	0.0	0.0	
72MAR	109.20	134.50	134.10	127.50	127.50	101.10	105.60	105.10	93.40	121.60	140.40	103.40	103.40	0.0	0.0	0.0	0.0	
72APR	106.70	134.50	134.10	127.80	129.80	101.70	110.70	105.10	93.40	123.10	125.50	140.40	107.10	103.20	0.0	0.0	0.0	
72MAY	106.60	134.50	134.10	127.80	127.80	101.70	112.50	105.10	94.90	123.40	125.50	140.40	107.40	104.00	0.0	0.0	0.0	
72JUN	106.40	134.50	134.10	127.80	127.80	101.70	112.50	105.10	95.40	123.40	125.50	140.40	107.40	103.90	0.0	0.0	0.0	
72JUL	109.20	134.50	126.43	127.50	131.30	112.50	105.80	105.80	105.10	95.40	123.60	123.50	140.40	107.40	104.40	0.0	0.0	0.0
72AUG	109.50	134.50	134.10	127.50	130.50	101.10	112.20	103.50	93.40	123.60	125.60	140.40	107.40	103.70	0.0	0.0	0.0	
72SEP	104.50	134.50	134.10	127.50	130.50	101.70	103.60	105.10	95.40	125.40	125.30	140.40	107.40	105.30	0.0	0.0	0.0	
72OCT	109.50	134.50	134.10	127.50	130.50	101.70	110.70	103.60	93.40	123.80	125.10	140.40	107.40	103.20	0.0	0.0	0.0	
72NOV	109.80	134.50	134.10	127.50	130.50	101.70	110.70	103.60	93.40	123.80	125.10	140.40	107.40	103.20	0.0	0.0	0.0	
72DEC	109.80	134.50	134.10	127.50	130.50	101.70	110.70	103.60	93.40	123.80	125.10	140.40	107.40	103.20	0.0	0.0	0.0	
73JAN	110.00	134.50	134.10	127.50	130.50	102.00	110.90	103.60	93.70	123.70	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73FEB	110.10	134.50	134.10	127.50	130.50	102.00	110.90	103.60	93.70	123.70	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73MAR	116.50	134.50	134.10	127.50	130.50	102.00	110.90	103.60	93.70	123.70	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73APR	110.60	134.50	134.10	127.50	130.50	102.00	110.90	103.60	94.00	123.80	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73MAY	111.50	134.50	134.10	127.50	130.50	102.00	110.90	103.60	94.00	123.80	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73JUN	112.50	134.50	134.10	127.50	130.50	102.00	110.90	103.60	94.00	123.80	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73JUL	112.40	134.50	134.10	127.50	130.50	102.00	110.90	103.60	94.00	123.80	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73AUG	113.10	134.50	134.10	127.50	130.50	102.00	110.90	103.60	94.00	123.80	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73SEP	112.80	134.50	134.10	127.50	130.50	102.00	110.90	103.60	94.00	123.80	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73OCT	113.00	134.50	134.10	127.50	130.50	102.00	110.90	103.60	94.00	123.80	125.80	140.40	107.40	103.50	0.0	0.0	0.0	
73NOV	114.90	137.50	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.10	147.80	108.20	104.50	104.50	0.0	0.0	0.0
73DEC	116.50	137.50	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74JAN	117.70	137.50	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74FEB	119.40	137.50	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74MAR	123.50	142.50	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74APR	127.40	146.80	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74MAY	135.70	155.50	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74JUN	135.60	155.50	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74JUL	129.50	152.42	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74AUG	145.40	168.50	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74SEP	150.00	169.10	125.30	125.30	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74OCT	147.50	168.50	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75APR	149.40	168.50	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75NOV	149.40	168.50	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
74DEC	149.40	169.00	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75JAN	149.60	169.10	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75JUN	150.10	164.80	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75AUG	150.30	164.80	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75SEP	150.30	164.80	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75OCT	151.50	167.60	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75NOV	151.80	167.60	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0
75DEC	151.90	167.70	124.50	124.50	132.50	106.20	117.90	106.40	104.40	125.60	142.20	147.90	108.20	104.50	104.50	0.0	0.0	0.0

MONTHLY DATA C.O.P

CY/N ^o	NUMBER	CR SIT	SITLS CAST	LEAD	WAGIES ALUMNI	SC. ST. EXTRU	MONEL	T.I. WIL	ELECT	3674.9	117XXX	250463	2505XX	117XXX	ELECT	3722.3723.9	FY	MATERIALS		LABOR	
																		1	2	3	4
75JAN	152.30	197.00	162.60	214.80	192.40	165.70	242.00	157.20	147.20	169.80	149.20	241.50	171.50	114.50	0.0	0.0	0.0	0.0	0.0	0.0	
75FEB	154.20	197.00	162.60	214.80	155.50	155.70	242.00	163.50	147.20	158.80	150.50	152.10	152.10	114.50	114.50	0.0	0.0	0.0	0.0	0.0	
75MAR	155.50	197.00	162.60	214.80	156.30	155.70	242.00	163.50	147.20	159.80	151.50	152.10	152.10	114.50	114.50	0.0	0.0	0.0	0.0	0.0	
75APR	156.70	197.00	162.60	214.80	157.40	156.00	242.00	163.50	147.20	160.80	152.50	152.10	152.10	114.50	114.50	0.0	0.0	0.0	0.0	0.0	
75MAY	157.10	197.00	162.60	214.80	158.30	157.20	242.00	163.50	147.20	161.80	153.50	152.10	152.10	114.50	114.50	0.0	0.0	0.0	0.0	0.0	
75JUL	157.20	209.10	162.60	214.80	158.50	157.50	242.00	163.50	147.20	162.80	154.50	152.10	152.10	114.50	114.50	0.0	0.0	0.0	0.0	0.0	
75AUG	158.20	209.10	162.60	214.80	159.50	158.50	242.00	163.50	147.20	163.80	155.50	152.10	152.10	114.50	114.50	0.0	0.0	0.0	0.0	0.0	
75AUG	161.00	209.10	172.40	218.40	221.50	176.80	255.00	175.90	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
75SEP	163.60	209.10	176.30	218.40	222.50	178.80	255.90	176.90	157.50	156.80	157.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
76OCT	164.50	209.10	176.30	218.40	222.50	183.50	255.30	179.30	158.30	156.80	157.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
76NOV	164.50	209.10	179.30	218.40	222.50	183.50	255.30	190.30	158.80	156.80	157.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
76DEC	164.80	220.40	176.30	218.40	222.50	185.50	255.90	190.30	158.50	156.80	157.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77JAN	164.50	222.60	185.00	216.40	231.30	193.30	255.90	190.30	159.30	156.80	159.30	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77FEB	164.00	222.60	186.50	220.40	231.30	197.50	267.00	201.70	160.50	156.80	159.30	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77MAR	164.30	222.60	187.50	220.40	231.30	197.50	267.00	201.70	160.50	156.80	159.30	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77APR	165.30	222.60	188.50	221.40	231.30	196.00	261.40	202.70	161.50	156.80	159.30	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77MAY	166.40	222.60	189.50	221.40	231.30	197.50	261.40	203.50	162.50	156.80	159.30	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77JUN	167.40	222.60	190.50	221.40	231.30	198.50	261.40	204.50	163.50	156.80	159.30	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77JUL	168.90	237.40	205.50	235.70	235.70	211.40	275.40	205.50	164.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77AUG	169.10	237.40	205.50	235.70	235.70	212.40	275.40	206.50	165.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77SEP	169.50	237.40	206.50	235.70	235.70	212.40	275.40	207.50	166.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77OCT	170.20	237.40	207.50	236.50	235.70	213.40	275.40	208.50	167.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77NOV	170.20	237.40	208.50	236.50	235.70	214.40	275.40	209.50	168.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
77DEC	170.20	237.40	209.50	236.50	235.70	215.40	275.40	210.50	169.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78JAN	170.20	237.40	210.50	236.50	235.70	216.40	275.40	211.50	170.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78FEB	170.20	250.00	250.00	241.40	241.40	217.40	275.40	212.50	171.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78MAR	171.40	250.00	192.50	241.40	241.40	218.50	275.40	213.50	172.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78APR	172.80	254.10	190.50	260.00	255.70	219.50	275.40	214.50	173.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78MAY	173.70	254.50	192.50	260.00	255.70	215.50	275.40	215.50	174.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78JUN	174.50	254.50	193.50	260.00	255.70	216.50	275.40	216.50	175.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78JUL	174.50	254.50	194.50	260.00	255.70	217.50	275.40	217.50	176.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78AUG	175.40	252.50	195.50	261.10	253.50	218.50	275.40	218.50	177.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		
78SEP	176.50	252.50	196.50	261.10	253.50	219.50	275.40	219.50	178.50	156.80	167.50	156.80	156.80	156.80	156.80	156.80	156.80	156.80	156.80		

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APPENDIX I

HISTORICAL INFLATION INDICES :

RAW MATERIAL PORTION ONLY.

HISTORICAL INFLATION
PRE-1956 INDICES
RAW MATERIAL PORTION ONLY

	AIRFRAME PRODUCTION	ENGINE PRODUCTION	
INDEX	FACTOR	INDEX	FACTOR
CY 67/2	FY73	CY 67	FY74=
100.0	1.0000	105.0	1.0500
47	17.0	36.2	51.183
48	17.2	41.2	52.7314
49	19.3	41.5	52.7102
50	26.0	34.4	53.7
51	25.1	48.7	52.5111
52	22.9	48.7	52.3091
53	23.4	50.3	52.2374
54	23.6	50.7	52.2199
55	25.4	54.1	52.0763
56	27.4	52.8	51.9159
57	27.9	52.8	51.8742

AGGREGATE AIR VEHICLE
EXCLUDING AVIONICS

	INDEX	FACTOR
CY	CY 67	FY74=
47	31.3	2.351
48	24.1	2.5917
49	44.2	2.5765
50	25.7	2.4292
51	25.5	2.1698
52	22.6	2.1747
53	22.9	2.1227
54	22.7	2.1054
55	21.3	1.9658
56	21.4	1.9160
57	21.1	1.7822

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HISTORICAL INFLATION⁴
CALENDAR YEAR INDICES
RAW MATERIAL PORTION ONLY

INDEX	FACTOR	CY67=100.0	AIRCRAFT PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
			CY67=	FY78=	INDEX	FACTOR	CY67=	FY78=	INDEX	FACTOR	CY67=	FY78=
56	27.7	1.7334	69.0	1.5886	51.5	1.2493	54.6	1.7937	34.5	1.7440	50.5	1.8523
59	25.0	1.6646	55.3	1.9986	51.4	1.2543	52.6	1.9162	32.5	1.6211	53.5	1.8632
60	26.2	1.6335	57.9	1.5422	36.9	1.2715	35.2	1.8780	31.5	1.9259	31.5	1.9152
61	25.4	1.6950	57.0	1.9742	30.9	1.2715	32.4	1.9259	31.4	1.9822	30.5	1.9895
62	24.5	1.7646	57.0	2.0152	30.2	1.2712	31.5	1.9259	30.2	2.0655	29.4	2.0427
65	23.7	2.0546	55.2	2.1135	50.1	1.3047	50.2	2.1254	29.4	2.0501	29.3	2.0235
54	23.5	2.0459	42.6	2.2603	30.9	1.3129	29.4	2.1254	29.5	2.1096	29.5	2.0478
55	23.6	2.0523	42.1	2.0946	30.0	1.3125	29.3	2.1344	29.3	2.0478	30.6	1.9655
56	23.6	2.0196	42.6	2.2604	30.5	1.2730	29.5	2.1096	29.7	2.0478	31.1	1.9304
67	24.1	1.9322	52.2	2.1504	51.5	1.2470	50.5	2.0478	31.1	2.0053	32.6	1.8449
68	24.5	1.9640	54.7	2.0706	31.2	1.2587	32.7	1.9101	34.6	1.7375	35.1	1.7134
69	25.5	1.6963	57.4	1.9461	31.7	1.2394	34.9	1.7681	34.6	1.7634	35.0	1.7155
70	26.2	1.6343	62.5	1.7230	31.4	1.2562	35.4	1.7634	35.0	1.7680	44.0	1.7366
71	26.2	1.8379	57.7	1.8924	32.4	1.2143	35.4	1.7634	35.1	1.7134	35.0	1.7134
72	26.9	1.6105	55.9	1.7669	32.7	1.2075	35.3	1.7675	35.0	1.7680	35.6	1.7375
73	27.2	1.7794	62.2	1.7000	32.3	1.1950	35.9	1.7380	34.5	1.7679	35.2	1.7207
74	34.2	1.4634	52.4	1.5777	35.1	1.1262	45.5	1.4610	51.7	1.2075	50.2	1.1983
75	35.1	1.2501	52.7	1.1751	36.4	1.0710	51.7	1.2075	53.5	1.1302	53.5	1.1272
76	42.2	1.1532	105.9	1.1184	36.7	1.0792	53.2	1.0364	50.6	1.0364	50.6	1.0364
77	45.6	1.6534	111.3	1.0051	37.6	1.0443	50.5					

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**HISTORICAL INFLATION
MONTHLY INDICES**

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MAY	71	71	26.4	1.6213	6b.8	1.6549	32.4	1.2156	35.4	1.7641	35.1
JUN	71	71	26.4	1.6247	6b.7	1.6378	32.4	1.2122	35.9	1.7449	35.4
JUL	71	72	26.4	1.6221	6b.7	1.6376	32.5	1.2110	35.8	1.7435	35.5
AUG	71	72	26.4	1.6219	6b.7	1.6376	32.5	1.2099	35.8	1.7433	35.5
SEP	71	72	26.4	1.6239	6b.6	1.6392	32.4	1.2146	35.6	1.7452	35.4
OCT	71	72	26.4	1.6242	6b.6	1.6352	32.4	1.2146	35.4	1.7453	35.4
NOV	71	72	26.3	1.6266	6b.6	1.6395	34.3	1.2169	35.7	1.7467	35.4
DEC	71	72	26.3	1.6252	6b.5	1.6457	32.4	1.2161	35.7	1.7504	35.5
JAN	72	72	26.2	1.6342	6b.4	1.6441	32.3	1.2193	35.6	1.7530	35.3
FEB	72	74	26.1	1.6266	6b.4	1.6386	32.4	1.2077	35.9	1.7407	35.5
MAR	72	72	26.5	1.6123	6b.3	1.6314	32.4	1.2075	35.0	1.7356	35.6
APR	72	74	26.6	1.6047	6b.6	1.6152	32.5	1.2099	36.0	1.7333	35.7
MAY	72	74	26.7	1.6041	6b.5	1.6149	32.5	1.2099	36.0	1.7333	35.7
NOV	72	73	26.6	1.6092	6b.5	1.6767	32.5	1.2096	36.1	1.7301	35.6
DEC	72	73	26.6	1.6082	6b.5	1.6759	32.5	1.2097	36.2	1.7274	34.8
JUN	72	72	26.6	1.6056	6b.4	1.7477	32.7	1.2017	37.0	1.7819	34.8
FEB	72	74	26.5	1.6071	6b.4	1.7477	32.7	1.2017	37.0	1.7824	34.8
AUG	72	73	26.7	1.6055	6b.5	1.6266	32.4	1.2040	34.8	1.7284	34.6
SEP	72	73	26.7	1.6055	6b.6	1.6756	32.7	1.2075	34.9	1.7905	34.6
OCT	72	73	26.7	1.6055	6b.6	1.7035	32.5	1.2067	34.7	1.7894	34.7
NOV	72	73	27.0	1.6042	6b.5	1.7035	32.5	1.2019	34.8	1.7924	34.6
DEC	72	73	26.6	1.6056	6b.5	1.7035	32.5	1.2016	34.8	1.7921	34.6
JAN	73	73	26.6	1.6050	6b.5	1.7035	32.5	1.2047	34.8	1.7920	34.6
FEB	73	73	26.7	1.6052	6b.5	1.7565	32.6	1.2052	34.9	1.7902	34.7
APR	73	73	26.9	1.6041	6b.5	1.7557	32.4	1.2054	34.7	1.7540	34.7
MAY	73	73	27.0	1.6090	6b.5	1.7557	32.4	1.2046	35.4	1.7652	35.1
NOV	73	73	27.0	1.6094	6b.5	1.7556	32.4	1.2016	35.4	1.7574	35.0
DEC	73	73	27.0	1.6090	6b.5	1.7556	32.5	1.2017	35.4	1.7571	34.8
JUN	73	73	27.2	1.6087	6b.5	1.7557	32.4	1.1946	36.0	1.7322	35.7
FEB	73	73	27.2	1.6087	6b.5	1.7557	32.4	1.1937	36.0	1.7329	35.7
APR	73	73	27.2	1.6082	6b.5	1.7557	32.4	1.2054	34.7	1.7540	34.7
MAY	73	73	27.4	1.6090	6b.5	1.7556	32.4	1.2046	35.4	1.7652	35.1
NOV	73	73	27.4	1.6094	6b.5	1.7556	32.4	1.2016	35.4	1.7574	35.0
DEC	73	73	27.4	1.6090	6b.5	1.7556	32.4	1.2017	35.4	1.7571	34.8
JUN	73	74	27.4	1.6087	6b.5	1.7557	32.4	1.1946	36.0	1.7322	35.7
FEB	73	74	27.4	1.6087	6b.5	1.7557	32.4	1.1937	36.0	1.7329	35.7
APR	73	74	27.4	1.6082	6b.5	1.7556	32.4	1.2054	34.7	1.7540	34.7
MAY	73	74	27.4	1.6090	6b.5	1.7556	32.4	1.2046	35.4	1.7652	35.1
NOV	73	74	27.4	1.6094	6b.5	1.7556	32.4	1.2016	35.4	1.7574	35.0
DEC	73	74	27.4	1.6090	6b.5	1.7556	32.4	1.2017	35.4	1.7571	34.8
JUN	74	74	29.5	1.6113	6b.6	1.6768	32.4	1.1937	36.1	1.7305	35.0
FEB	74	74	29.5	1.6295	6b.6	1.6296	33.5	1.1937	36.1	1.7196	36.0
APR	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	74	74	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	74	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
NOV	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
DEC	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
JUN	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
FEB	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
APR	75	75	29.5	1.6295	6b.6	1.6743	32.4	1.1937	36.1	1.7196	36.0
MAY											

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MAY	76	41.5	1.1587	98.9	1.1374	36.2	1.0857	54.3	1.1501	52.5
JUN	76	42.1	1.1418	99.0	1.1363	36.4	1.0920	54.8	1.1396	52.9
JUL	76	42.3	1.1375	99.4	1.1323	36.4	1.0920	55.0	1.1354	53.1
AUG	76	42.7	1.1273	102.0	1.1032	36.4	1.0810	55.9	1.1175	53.9
SEP	76	44.1	1.0643	103.2	1.0904	36.5	1.0762	57.2	1.0913	55.1
OCT	76	77	44.1	1.0904	103.2	1.0903	1.0745	57.3	1.0903	55.2
NOV	76	77	44.1	1.0921	103.2	1.0919	1.0727	57.2	1.0912	55.2
DEC	76	77	44.6	1.0949	103.2	1.0901	1.0708	57.1	1.0929	55.1
JAN	77	77	45.9	1.0954	105.5	1.0664	1.0590	57.6	1.0838	55.6
FEB	77	77	44.0	1.0932	105.2	1.0577	1.0577	57.8	1.0795	55.8
MAR	77	77	44.4	1.0845	109.1	1.0315	1.0312	56.6	1.0626	56.6
APR	77	77	+5.4	1.0505	103.2	1.0303	1.0510	59.6	1.0482	57.4
MAY	77	77	45.5	1.0539	112.6	0.9991	1.0540	60.4	1.0341	58.1
JUN	77	77	45.9	1.0597	115.5	0.9911	1.0501	60.9	1.0260	58.5
JUL	77	77	45.6	1.0762	114.2	0.9647	1.0519	50.8	1.0263	56.5
AUG	77	77	45.6	1.0743	114.3	0.9845	1.0510	60.9	1.0252	58.6
SEP	77	77	46.2	1.0806	113.5	0.9909	1.0362	61.2	1.0201	58.9
OCT	77	78	46.3	1.0536	113.6	0.9907	1.0310	61.2	1.0195	58.3
NOV	77	78	46.0	1.0521	113.4	0.9956	1.0263	61.4	1.0173	59.1
DEC	77	78	46.6	1.0316	113.0	0.9958	1.0276	61.4	1.0171	59.1
JAN	78	78	46.9	1.0271	111.4	1.0103	1.0037	61.2	1.0192	59.0
FEB	78	78	47.3	1.0174	111.5	1.0095	1.0013	61.6	1.0142	59.3
MAR	78	78	48.2	0.9476	111.4	1.0099	0.925	62.3	1.0025	61.5
APR	78	78	48.5	0.9324	110.6	1.0156	0.9965	62.3	1.0015	60.1
MAY	78	78	49.7	0.2891	111.7	1.0073	0.9225	62.7	0.9953	50.4
JUN	78	78	48.8	0.4955	112.2	1.0030	0.9870	62.9	0.9923	60.6
JUL	78	78	49.3	0.9759	112.5	0.9964	0.9824	63.4	0.9846	61.1
AUG	78	78	50.1	0.9603	114.4	0.9636	0.9824	64.4	0.9695	52.0
SEP	78	78	50.2	0.9521	114.4	0.9535	0.9453	64.5	0.9687	52.0

HISTORICAL INFLATION
QUARTERLY INDICES
RAW MATERIAL PORTION ONLY

STR	CY	INDEX	FACTOR	ENGINE PRODUCTION	AVIONICS PRODUCTION	AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE AGGREGATE AIR VEHICLE INCIDING AVIONICS	
						INDEX CY67=100.0	FACTOR FY78=100.0	INDEX CY67=100.0	FACTOR FY78=100.0
1	65	24.1	2.0000	52.4	2.154	51.4	1.2529	30.4	2.0564
2	65	24.3	1.9836	54.0	2.0646	51.3	1.2553	56.9	2.0229
3	67	24.5	1.9623	54.3	2.0701	51.3	1.2561	51.2	2.0041
4	69	24.5	1.9681	54.4	2.0691	51.5	1.2570	51.1	2.0073
5	68	24.6	1.9579	54.5	2.0655	51.2	1.2612	51.2	1.9996
6	69	24.5	1.9654	54.2	2.0732	51.2	1.2603	51.1	2.0080
7	69	25.0	1.9242	55.7	2.0819	51.4	1.2507	51.6	1.9610
8	70	25.5	1.8977	56.4	1.9946	51.7	1.2411	52.4	1.9291
9	70	25.6	1.8765	57.1	1.9703	51.7	1.2391	52.6	1.9229
10	69	25.9	1.8614	62.0	1.8153	52.0	1.2301	53.9	1.9319
11	70	26.1	1.8412	65.1	1.7279	51.7	1.2411	54.3	1.7433
12	70	26.3	1.8305	65.1	1.7277	51.7	1.2420	54.9	1.7379
13	70	26.3	1.8301	65.2	1.7244	51.9	1.2334	55.0	1.7862
14	70	26.2	1.8363	65.7	1.7126	52.1	1.2265	55.0	1.7807
15	71	26.1	1.8466	68.1	1.7926	52.5	1.2051	55.0	1.7858
16	71	26.4	1.8236	67.0	1.6521	52.4	1.2130	55.5	1.7588
17	71	26.4	1.8227	68.7	1.7181	52.5	1.2118	55.8	1.7440
18	71	26.4	1.8263	69.5	1.6014	52.3	1.2165	55.7	1.7475
19	72	26.4	1.8214	68.4	1.6377	52.5	1.2114	55.6	1.7431
20	72	26.6	1.8063	67.5	1.6677	52.7	1.2040	55.7	1.7681
21	72	26.7	1.8054	63.9	1.7615	52.7	1.2044	54.9	1.7878
22	72	26.6	1.8084	63.6	1.7687	52.5	1.2095	54.6	1.7923
23	73	26.7	1.7939	64.1	1.7536	52.6	1.2046	55.0	1.7814
24	73	27.1	1.7777	66.2	1.7034	52.9	1.1971	55.8	1.7659
25	73	27.3	1.7620	57.1	1.6778	52.2	1.1937	55.1	1.7276
26	73	27.4	1.7194	67.4	1.6644	53.1	1.1876	56.7	1.6991
27	74	28.0	1.6157	69.7	1.5147	53.1	1.1713	58.7	1.6153
28	74	28.9	1.42371	96.2	1.6196	56.0	1.0776	58.7	1.2092
29	75	38.9	1.0924	103.2	1.2183	95.4	1.1795	56.2	1.0851
30	75	39.5	1.0911	106.9	1.2148	94.3	1.1931	56.9	1.0572
31	75	39.6	1.0567	111.8	1.1934	98.7	1.1528	56.1	1.0336
32	76	41.3	1.0503	114.0	1.2499	96.9	1.1584	56.4	1.0761
33	76	43.0	1.0345	101.5	1.1195	101.5	1.0833	56.4	1.0675
34	76	44.1	1.0924	111.4	1.2371	96.2	1.1696	56.0	1.0776
35	76	44.1	1.0911	106.9	1.2183	95.4	1.1795	56.2	1.0851
36	77	44.1	1.2148	94.3	1.2148	89.4	1.2570	55.1	1.1040
37	77	45.5	1.1934	98.7	1.2730	93.0	1.2705	56.2	1.1372
38	77	45.5	1.1528	111.8	1.2499	97.1	1.1584	56.4	1.0675
39	77	45.5	1.1584	101.5	1.1195	101.5	1.0833	56.4	1.0675
40	78	46.5	1.0345	115.2	1.2371	96.2	1.1696	56.0	1.0776
41	78	47.5	1.0139	111.4	1.0924	103.2	1.0911	56.2	1.0851
42	78	48.7	0.9949	111.6	1.0567	111.8	1.0567	56.9	1.0336
43	78	49.9	0.9653	115.9	1.1934	98.7	1.1934	56.1	1.1714

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HISTORICAL INFLATION
FISCAL YEAR INDICES
RAW MATERIAL PORTION ONLY

AIRFRAME PRODUCTION		ENGINE PRODUCTION		AVIONICS PRODUCTION		AGGREGATE AIR VEHICLE EXCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS		AGGREGATE AIR VEHICLE INCLUDING AVIONICS	
INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR	INDEX	FACTOR
CY=78	FY78=1.0000	CY57=1.0000	FY78=1.0000	CY7=100.0	FY78=1.0000	CY6=100.0	FY78=1.0000	CY5=100.0	FY78=1.0000	CY4=100.0	FY78=1.0000
70	1.0522	62.3	1.2751	51.4	1.2241	34.1	1.8350	33.3	1.7772	33.3	1.5024
71	1.0541	68.1	1.701P	32.2	1.2205	35.1	1.7787	34.8	1.7270	34.8	1.5967
72	1.0619	68.3	1.0461	32.5	1.2109	35.8	1.7457	35.4	1.6923	34.9	1.5775
73	1.07977	64.4	1.7455	32.7	1.2039	35.1	1.7766	34.9	1.7230	34.9	1.5775
74	1.06349	70.0	1.5900	33.6	1.1722	38.6	1.6166	38.1	1.5775	38.6	1.5775
75	1.2710	45.9	1.1374	36.4	1.0811	50.3	1.2405	48.9	1.2287	48.9	1.2287
76	1.1961	95.6	1.1615	36.1	1.0530	52.5	1.1622	51.1	1.1755	51.1	1.1755
77	1.1185	101.5	1.1083	36.4	1.0604	56.0	1.1144	54.1	1.1121	54.1	1.1121
78	1.0123	133.0	1.0323	37.2	1.0566	59.1	1.0559	56.9	1.0560	56.9	1.0560
	1.0000	112.5	1.0000	35.5	1.0000	62.4	1.0000	60.1	1.0000	60.1	1.0000

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APPENDIX J
SENSITIVITY ANALYSIS .

J 1

APPENDIX J

SENSITIVITY ANALYSIS

Many considerations are important in constructing Historical Indices for tracking purposes. These certainly include:

- a. The nature of the items chosen to comprise the index:
 - (1) How typical or representative the items are.
 - (2) How closely the items approximate the actual materials used, if indices for the actual items are not obtainable.
 - (3) The number of items used, and the detail in the analysis which produced the indices.
- b. The determination of the percent contribution to cost - "Cost Drivers"
- c. The weighting factors employed in the overall analysis.

An obvious problem confronting those who must determine the validity of an index for historical tracking purposes relates to aggregate labor/material weighting factors. In tracking major weapons systems, the ratio is often stated as say 40/60 - that is 40 percent material and 60 percent labor - as percent contributions to cost. Because it is difficult for analysts to determine the "correct" aggregate mix of labor and material, being external to the project, the aggregate split is obviously of interest.

The value for any index depends on three factors:

- a. The number of factors employed, and the quality and depth contained in the analysis.

b. The values for each component of cost used in the construction of the index.

c. The weights, or levels of importance, given the factors, individually and collectively.

ANALYSIS: The objective of this sensitivity analysis is to shed some light on the way in which the aggregate labor/material split affects the index, which has been a controversial issue for some time. Through the use of a set of recursive linear equations, the effect on the historical inflation index for airframe resulting from varying the aggregate weighting scheme was calculated, in both raw and percentage terms. The calculations were made using a Wang system 2200 mini computer, and a sample printout follows. The results provide evidence that the key to a successful index resides in item (1), the number of factors employed, and the quality and detail in the analysis used in preparing the index. Because wages are often tied to the Producer Price Index, or other price indices, in labor agreements, it is not surprising that aggregate weighting percentages for labor and material might not be an extremely sensitive issue. However, the calculations provide strong support for the position that the identification of cost components and the depth and quality of detail in an analysis are of paramount importance, when developing an index to be used in controlling the cost of a major weapon system.

SENSITIVITY ANALYSIS

***** AIRFRAME *****

TO GROSS WEIGHTING FACTORS

YEAR 1977

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GROSS MTRL	GROSS LABOR	PURE MTRL	PURE LABOR	NEW INDEX	CURR INDEX	PERCENT CHANGE
378	6229	2411	7588	1.978	1.978	0.0
209	3886	1968	6911	1.9937	1.9780	0.79
259	7599	1408	8591	1.9898	1.9780	0.60
309	7900	1777	8222	1.9856	1.9780	0.38
359	6509	2175	7824	1.9810	1.9780	0.15
409	6886	2603	7396	1.9761	1.9780	-0.69
459	5500	3059	6949	1.9709	1.9780	-0.25
509	5986	3545	6455	1.9653	1.9780	-0.62
559	4549	4053	5949	1.9594	1.9780	-0.93
609	4886	4582	5595	1.9532	1.9780	-1.25
659	3500	5175	4824	1.9466	1.9780	-1.58
709	3886	5777	4322	1.9397	1.9780	-1.92
759	2500	6498	3591	1.9225	1.9780	-2.29
809	2886	7063	2971	1.9049	1.9780	-2.65
SIC 3721 = 7.978 SIC 3723.9 = 6.426 NEW MTL IND = 4360						



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